


PAPER MONEY

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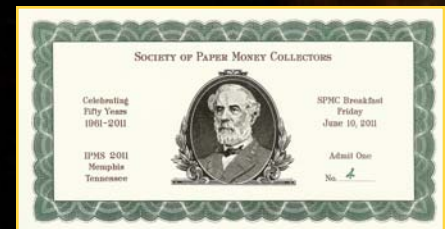
OFFICIAL JOURNAL OF THE
SOCIETY OF PAPER MONEY COLLECTORS



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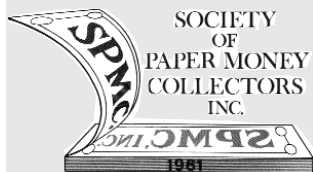
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Society of Paper Money Collectors



The Society of Paper Money Collectors was organized in 1961 and incorporated in 1964 as a non-profit organization under the laws of the District of Columbia. It is affiliated with the ANA. The annual SPMC meeting is held in June at the Memphis International Paper Money Show. Up-to-date information about the SPMC, including its bylaws and activities can be found on its web site www.spmc.org. SPMC does not endorse any company, dealer, or auction house.

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Who Really Signed Your Notes?

By Carroll Hilliard



Exterior view of The Bank of Noble with Mr. Richard F. Shafer (Assistant Cashier) on the left and Mr. Frank B. Flanders, (Cashier) on the right.

COLLECTING NATIONAL CURRENCY HAS BEEN A HOBBY that I have thoroughly enjoyed for nearly forty years. Besides the thrill of the hunt in finding new notes to add to my collection, the educational value has also been a joy. The geography that can be learned from collecting is amazing, as well as the very interesting stories that I gathered about many of the banks that issued the notes. One such story was relayed to me first hand by a lady who signed National Currency.

In the late 1970s I often used my weekends to travel to small communities in Southern Illinois in search of new notes for my collection. Much to my dismay I would often find that hardly anyone I encountered had ever heard of National Currency, much less seen a piece. I would often come home disheartened after spending a large amount of time with nothing to show for it. Gradually I began to broaden my search and also ask questions about the banks and the officers who worked in them. Although I might not find a note, I would often come home with an occasional cancelled check or a neat picture of the bank and some really unique stories to go along with it.

On one such weekend I went to the small town of Noble, Illinois, a small rural Southern Illinois town of about 750 people. Despite its size the little town at one time boasted two banks, The Bank of Noble and The First National Bank of Noble. It was a typically hot Southern Illinois day and I had been to a couple of the local businesses inquiring about where the bank buildings had been located.



While in one of those businesses, I was told that a lady down the street had been employed in one of the banks in prior years and that she might be able to help me with my search.

I made the short jaunt down the street and found myself at the home of John and Juanita Shafer. Mr. Shafer ran a grocery store and his father had been employed in the Bank of Noble. Mrs. Shafer had been employed in the First National Bank. I knocked on the door of their screened-in porch and within just a short time I was greeted by Mrs. Shafer who invited me inside. I informed her that I was a stranger and I wouldn't come in but that I just had a few questions that I wanted to ask her. When I mentioned that I was looking for old pictures of the banks she laughed and said, "Well then, you will have to come in because we will need to sit down to go through them." Giving in to her kindness, I agreed and stepped into her screened-in porch and took a seat in an old swing which appeared to have seen many pleasant Southern Illinois afternoons.

In no time at all she appeared again with a large box filled with pictures and we began the search. When we were finished we had found a picture of the State Bank building where her father-in-law, Mr. Richard F. Shafer, had been the Assistant Cashier. We also found a wonderful interior picture of the First National Bank. As we looked at this picture Mrs. Shafer beamed and announced that the handsome man standing in front of the teller's cage was her father, Mr. Homer F. Diel, the cashier of the bank. She then asked if I knew that at one time the bank issued its own currency. I told her that I did and that was the main focus of my collecting; however, I was looking for pictures of the banks to go along with my notes when I displayed them.

Interior view of The First National Bank of Noble with Mr. Homer F. Diel (Cashier) in the foreground and Ms. Bess Hedrick (Assistant Cashier) behind the teller's cage.

'Well, the president was a very busy man and he just didn't have the time to sit down and sign all of those notes.'



Above: A 1902 Series Plain Back issued by The First National Bank of Noble. This note is signed by Mr. Homer F. Diel as cashier and the signature of Mr. W.T.S. Gray as signed by Juanita Shafer.



Right: A series 1929 Type I note issued by The First National Bank of Noble bearing the facsimile signature of Mr. Homer F. Diel as cashier and the facsimile of an actual signature of Mr. W.T.S. Gray as president.

She then mentioned that one of her father's duties as cashier of the bank was to hand-sign the sheets of notes when they were delivered to the bank, and that her job was to take a very large pair of scissors that had been issued to the bank and cut the sheets into individual notes. It was at that point in the conversation that she said something that I was not expecting.

She said that it took a lot of time for the president and her father to sit down and sign all of those notes. She then said, "So I..." and then she paused. I waited for a few seconds and then I said, "So you what?" She replied, "I probably shouldn't have said that." I then asked, "Did you forge the president's signature?" She then replied, "Well, the president was a very busy man and he just didn't have the time to sit down and sign all of those notes."

I then told her that I just happened to have a note on the First National Bank in my car and that I wanted to get it and show it to her. When I returned and showed her the note her eyes just danced. She hadn't seen one of the notes in years and exclaimed that the signature of the cashier was indeed that of her father, Homer F. Diel. I then asked if she recognized the president's signature and if it was hers or his. With a coy smile she admitted that it was indeed her handwriting.

I have heard the story of Jesse James robbing a bank and boldly signing his own signature to make the notes legal tender. However, I had always assumed that the signatures on all of my notes were truly those of the actual people whose names were represented. Having the opportunity to meet Mrs. Shafer and talk to such a wonderful person who witnessed and actually hand-signed the notes, whether it was her name or not, remains a highlight of my collecting career. It has also caused me to pay a little more attention when comparing the signatures found on notes from the same bank. In hopes of finding another name on a Noble note, I asked her if she ever signed her own name to any of the notes, to which she replied, "Oh, heavens no." ♦

Tipping Point

By John Gavel

To review some basics: denominations of 1, 5, 10, 25 and 50 allow the fewest number of bills/coins to be used in making change from a 100. Americans have an attachment for one dollar bills, a dislike for one dollar coins, a dislike for fifty cent coins, a dislike for two dollar bills and an attachment for the Lincoln cent. Depending on when one chooses as a starting point and what items are compared, inflation in our lifetime is somewhere between five and twenty times the baseline. Americans have a fear of fifty and hundred dollar bills that is a self-fulfilling foretelling; unfamiliarity makes them suspect, infrequent use prevents familiarity. Based on production, Americans favor twenty dollar bills over tens; a wallet-load would look a bit like one or more twenties, maybe a ten, one or more fives and several singles. Sales tax generates the real need for one cent coins. Because of inflation and the likes and dislikes of one dollar bills/coins and fifty cent pieces, the dollar bill shows a higher use than is expected.

Inflation continues each year as a byproduct of economic policies. At some point a tipping point will be reached where it will be totally unreasonable to retain the one cent denomination. It may be retained as a value like the mill, but as an artifact it will go the way of the half cent. While coinage/currency revision may be resisted, practicality may cause a major change. People being conservative about money, it is likely that the new "one" will be a five. With a five cent/five dollar lowest value coin/bill let us see how the other denominations might shake out. Do note that no miracle solution is proposed for acceptable coin sizes by the general public. Cash draw-

ers will constrain the number of denominations as they do today. If we scale up the five cent denomination we would get a 25, 50, 250 and 500 cent array. A two and a half dollar coin may be viewed by many as odd in more than one sense. Since we do not have twenty five dollar bills, perhaps a 200 cent or two dollar denomination would be better. A 100 cent would make making change too "pocket-filling." This would also lead to bills of 5, 20, 50, 200 and 500 dollar denominations. Fear of counterfeiting and the use of credit/debit cards would cause the 200 and 500 dollar notes to have a low demand. The new wallet-load would be one or more fifties (being seen more frequently they would gain acceptance), maybe a twenty and several fives. A two dollar coin would seem to be called for, but people seem to have developed a dislike for carrying pocket change so maybe all those two dollar bills may find a new life! One last issue to be touched on is the value of the wallet-

load. People do not like to carry large amounts of cash, the amount would seem to remain relatively fixed despite value erosion. Should this prove true, the new wallet-load may turn out to be one or more twenties, one or two fives and several twos. The cash drawer constraint would be met.

Since old and new denominations would circulate together for some time, same denominations would retain the current design to aid acceptance of the increased use of fifty dollar/cent denominations. Production of "obsolete" denominations would cease and normal wearing out would remove them from circulation without impacting the cash drawer. There may be a small problem with the phase in/out of one and fifty cent use and one and fifty dollar use. Larger for the under the drawer fifties, but ameliorated by the "learning curve" with their use. Non-use of the cent should occur quickly making this slot open for increased two dollar bill use. Do note that the dime also goes away in this prediction.

Now for the good stuff! A new design for 200 and 500 dollar bills would be needed or would it? The McKinley 500 design exists but few people would recognize it. Benjamin Franklin and the 100 dollar bill would go away also. Clearly a new design would have to avoid confusion with any old one, yet many people will bemoan the loss of a Lincoln coin and the Washington bill, whether the continued use of a Lincoln five dollar note and a Washington quarter dollar will mitigate this or not remains an open question. Would we use another Founding Father or a president? Ruling out those used on one thousand and greater dollar bills, Theodore Roosevelt would appear to be a good candidate being more politically neutral

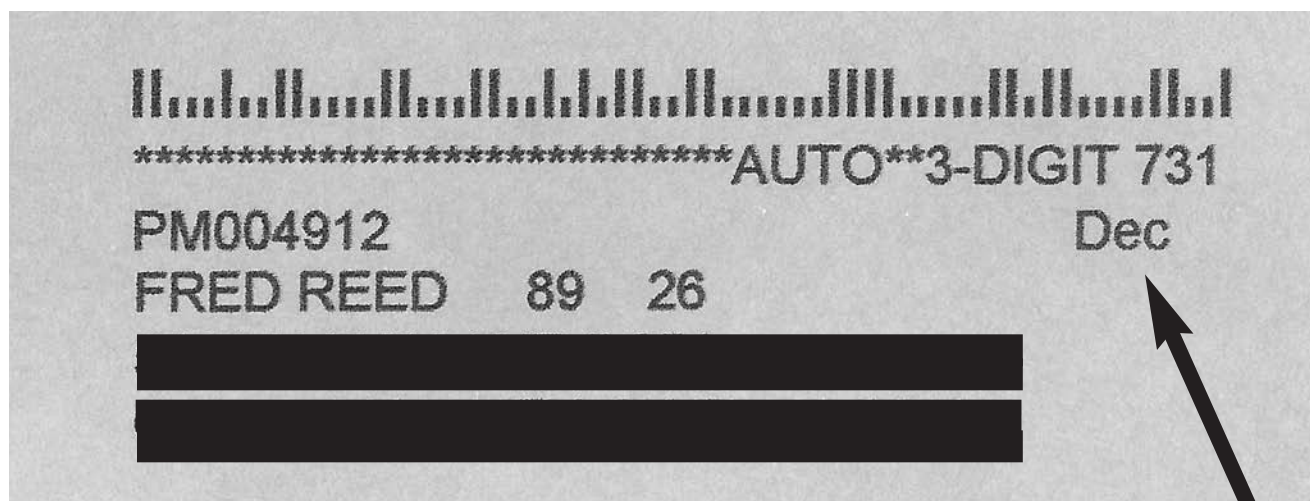


than later presidents. Millard Fillmore will probably not get the nod. Perhaps a dual portrait; army/navy officers, political notables like Daniel Webster (sorry I can't think of a good counterpart).... As for reverse designs, we lose Independence Hall, so maybe the Liberty Bell would be a nice replacement. A George Washington crossing the Delaware would be a good candidate to my thinking. Same for Lincoln giving the Gettysburg address. These would appeal to those mourning their disappearances on other denominations.

Perhaps this will prove to be a pipe dream. Electronic transfer of funds is growing. Criminal enterprise makes use of cash problematical. What if the debit card/credit card system continues to blossom? Use of personal checking and direct deposit have become wide spread, even mandatory in some cases.

If so, these predictions could go up in smoke!





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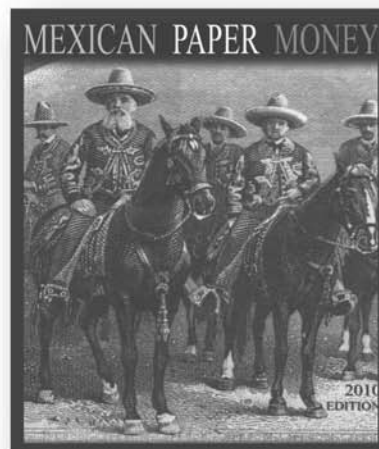
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MEXICAN PAPER MONEY

Mexican Paper Money, edited by Mexican currency specialist Cory Frampton, is the first serious effort in over twenty years to catalog all known Mexican Currency. This major reference book is hardbound, contains more than 400 pages and is printed in 9"x12" color format to enlarge the more than 2,500 color images obtained from major public and private collections. It contains a wealth of general information about Mexican currency together with current value estimates on all known issues, which will prove invaluable to the serious collector. The next edition of the book will be printed in 2015.

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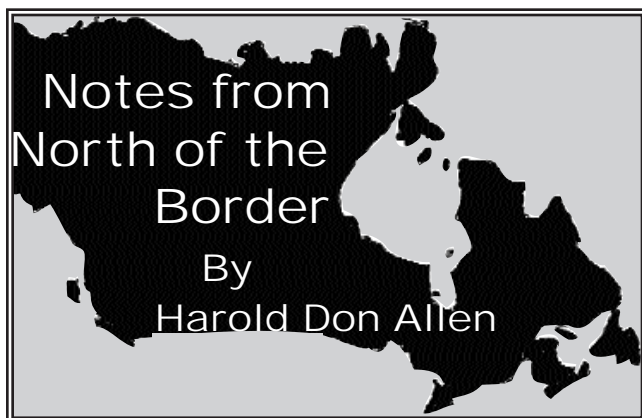
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Five Notes with Interesting Stories

ONE RECENT AFTERNOON FOUND ME CONTENT-
edly closeted in the bank vault with long-term “paper” holdings, the folding money and associated memorabilia that has stimulated and supported numismatic endeavors of, literally, six decades. Looking to “notes with a story,” and selecting five, I found myself reflecting on things that get “written up,” the organizing and sharing of insights. As well, however, my thoughts extended to material that, for whatever reason, has tended not to see publication, information and perspectives which, although instructive, have seemed a bit apart from the main thrust of article ideas.

Notes selected and here illustrated were, as it happens: (i) an Australian one pound, a King George VI portrait note, obtained as foreign exchange while still current; (ii) a Bermuda classic, the King George V, scenic and heraldic, one pound, issue-dated 1927; (iii) a Nicaraguan one cordoba, by the venerable American Bank Note Company, its likeness of a young woman an instructive example of allegorical art (or so I had believed); (iv) a short-lived Malaysian 100 ringgits, recently acquired in Kuala Lumpur, fine work of a lesser-known North American printer, one of many firms to have turned out notes for the Malaysian central bank; and (v) a Saudi Arabian one riyal, a King Fahd portrait note, mainstream fiscal paper that, significantly, depicted 7th century gold on its face.

Each note we shall view in turn, sharing insights into the note and the story that it can tell.

The Australian pound had been the workhorse denomination during World War II and the years that followed, 1938 through 1953, when its four-value series (10 shillings, 1, 5, and 10 pounds), with still higher values restricted to inter-bank transactions, was succeeded by a Queen Elizabeth pound, and values through 10 pounds recognizing national personages. A dollar currency (two dollars to the pound) was inaugurated through the Reserve Bank, Australia’s bank of issue, in 1966.

Forty years of such dollar issues reflect colorful and imaginative Australian craftsmanship, extending to current polymer work of Note Printing Australia. Australia’s collectors, I gather, do like their “star” replacement notes, and tend, as do the British, to seek first prefixes and last prefixes of an issue or signature variety. Forerunner notes of Australia’s commercial banks, and their Treasury (legal tender) overprints of 1910, challenge big spenders, but, whatever the going price, are exquisitely rare.

The post-War pound, in contrast, has to be common, although ours is in



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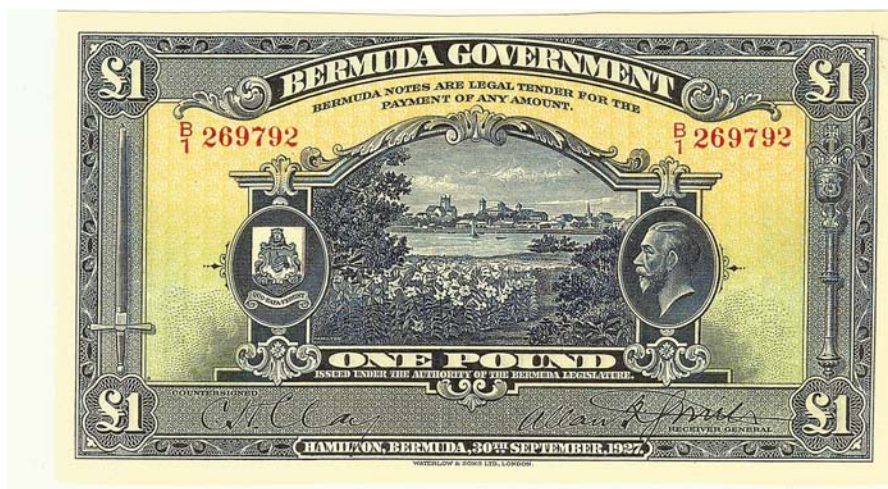


the kind of grade that today would warrant some premium. The serial number, 000009 in series I/43, had been what caught my eye 60 years ago, and the trust officer, whose duties had included “meeting the boats” and exchanging currencies for immigrants and visitors, had let me have it at face. Now, we all know of countries that make “low numbers” accessible to dealers and collectors—think Cayman Islands—but this Australian “find” seemed to represent a chance encounter, and I’ve not seen its likes, outside dealer stock, to this day. Senior bank officials, especially note-signing officers, no doubt have enjoyed access to new issues of monetary authorities, currency boards, and central banks, a note so obtained quite possibly surviving as a family heirloom. Rank does have its privileges.

Embracing palindromic (“radar”) numbers, solid numbers, ladder numbers, replacement numbers, serial or sheet numbers deemed “special” do have a significant collector following—representing an enhanced, yet often manageable, acquisition challenge. For an increasing number of world currencies, supply channels have evolved.

I do like my “#9” Australian, in any event.

Our next note is Bermudan Government, a 1927 one pound “Issued under the



authority of the Bermuda Legislature.” Featured are “Hamilton,” a splendidly engraved waterfront perspective; sword, mace, and colonial arms; and a meticulously detailed “medallion” likeness of King George V. The work is by Waterlow and Sons, Ltd., London, back when such a note or postage stamp imprint (so often lacking today) would have been a hallmark, an attestation to quality and authenticity. Bermuda has pride of place on our short list of countries and territories having markedly limited populations but a continuing tradition of distinctive and sound currency. Others include Aruba, Cayman Islands, Faeroe Islands, Falkland Islands, Guernsey, Jersey, Isle of Man, St. Helena, and Seychelles.

My Bermuda classic was acquired “on approval,” from an ex-serviceman who had been supplementing civilian wages by offering quality world notes. That has to have been 40 to 50 years ago, his very fair asking prices now being history. Bermuda, with its dollar unit (since 1970), has become a favorite “quality country” with knowledgeable collectors. My most recent acquisitions have been from a Bermuda Government representative on the American Numismatic Association convention bourse.

Bermuda, as well, taught me one numismatic acquisition lesson, fifty-some years ago. A college acquaintance was to be celebrating graduation with a holiday jaunt to Bermuda, and undertook to bring me the five pounds high value for my collection ... and did so. What I received, as it turned out, was the best “five” to be had at Bermuda airport on departure, but not what you’d want for a collection. It’s plenty tough, I learned, to explain “Uncirculated note.” I do like to collect for myself, if and when opportunity arises, but I never begrudge the “world paper” dealers and middlemen their legitimate mark-ups as they relay to me an exotic and top-condition note.

Our next item, Central American, is American Bank Note work, with imprint. The historic, New York-based firm was a world leader in allegorical artistry and engraving—for stocks and bonds, postal and fiscal adhesives, and much of the best of paper money, at home and world-wide, for well over 100 years. The illustrated note is a



paper one cordoba of Banco Nacional de Nicaragua (name in Spanish and English), and depicts a young woman, reclining, with flowing locks of dark beribboned hair. The note design dates from 1927, when it was issued in green, but is better known in blue from releases of the 1930s. These include a REVALIDADO overprint (boldly in red, shown following), and subsequent significant runs of unoverprinted notes. Illustrated is a “Serie de 1938,” a relatively common bill in circulated state. The note which I obtained at face (for some cents) at a travel and foreign exchange outlet—another country to add to my list—with the portraiture having raised a basic question in my mind. If the likeness was allegorical, what exactly had the young woman been intended to personify? Agriculture, the Harvest, Fertility, Industry, Security ... these long having been commonplace allegorical themes.

Many of us grew up with security printing that highlighted allegorical art. United States currency and stocks and bonds might employ outstanding allegorical images (recall “Education” Silver Certificates of 1896). Several Canadian chartered banks had commissioned distinguished allegorical art for national and international (“southern”—British West Indies) circulation. The Bank of Canada launched its initial legal tender issues in 1935 with admirably executed allegorical backs—Agriculture, Transportation, Invention, Security—and maintained those classical images for close to 20 years. Featured figures were timeless, in classical garb. One of my favorites (on Canada’s \$50 of 1935 and 1937) represents Modern Invention, as typified by radio broadcasting. The vignette is a young woman in classical garb reading from a scroll to a standing microphone.



I acquire a stock certificate from time to time, most often allegorical, although handsome lettering has an appeal of its own. The allegorical, on an imposing larger scale, can be hard to resist!

The rationale of traditionally draped figures is, of course, that skin tones and cloth folds would be great challenges to conventional counterfeiting, as indeed portraiture is also. Only when Thomas Cook gave me access to their in-house guide to note authenticity, did I learn that the Nicaraguan lady had been not allegorical, but “daughter, former president of the Republic.”

Our fourth note is Malaysian, a brown and purple 100 ringgits of Bank Negara Malaysia, the national bank of issue, and is of fairly recent origin (1991 through 1993) ... but there’s a difference. The surprise is the security printer imprint, United States Banknote Company, one of at least ten world firms known to have obtained contracts for producing Bank Negara (and immediate predecessor) folding money. Malaysian collec-



tors do like their money, including replacement notes and “special” numbers, and have a sharp eye for imprints and such. Known security printers include Waterlow & Sons (England); Bradbury, Wilkinson & Co. (England); Thomas De La Rue (England); British American Bank Note (Canada); François-Charles Oberthur (Europe); Gresecke & Devrient (Germany); Canadian Bank Note (Canada); the bank itself; and Note Printing Australia (for recent Malaysian notes in polymer plastic). Names of some security printers have changed over time. My 2009 visit to Kuala Lumpur was greatly facilitated by the companionship of Tony Lye, a foremost numismatic scholar and cataloguer I had known (as a fellow A.N.A. member) from a visit to his place of business, a decade before. Tony had escorted me to numismatic museums, had seen that I acquired current crisp notes, and had introduced me to a colleague who had offered the U.S.B.N. 100 ringgits at a price that I couldn’t refuse.



Left: The back of the Malaysian 100 ringgits (by United States Banknote) depicts the National Mosque in Kuala Lumpur. Below: closeup view.

Our final item is Saudi Arabian, a one riyal King Fahd portrait note that circulated perhaps ten years ago. The Middle East long has had its money—gold and silver coinage from local minting operations, supplemented by prevailing international issues. The paper riyal, significantly, depicts on its face a 7th century gold dinar.

Paper money, however, has been more recent in gaining regional acceptance. Saudi Arabia initiated distinctive “pilgrim receipts” (from 1953, demonetized 1964),



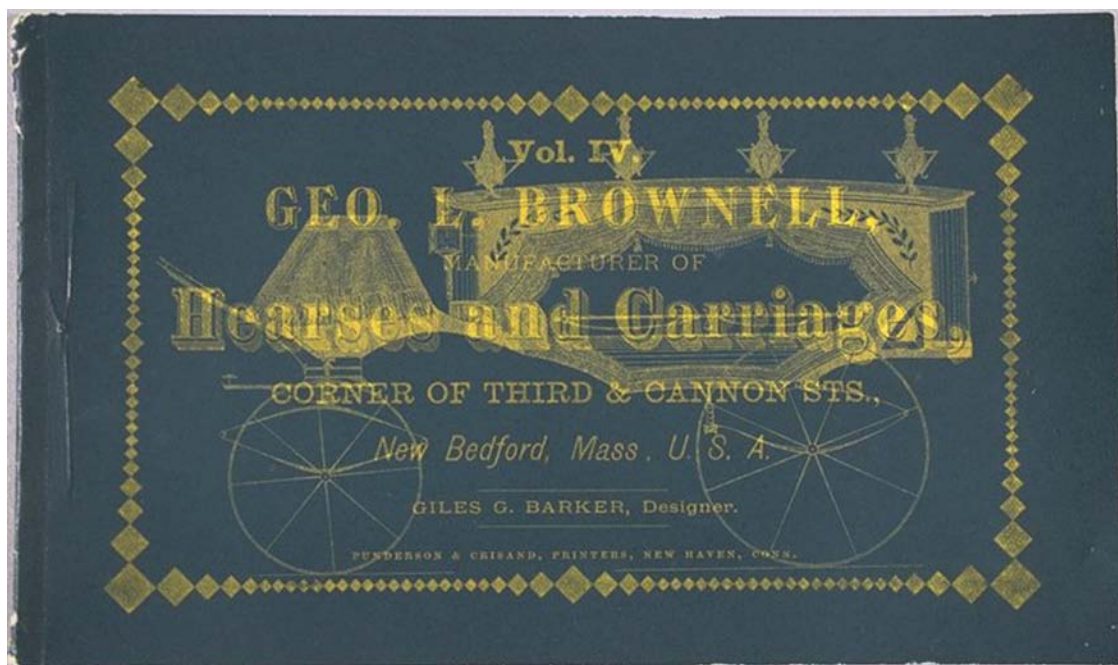
obtainable in exchange for local currency at Saudi embassies and agencies. Such “receipts” were intended for, and particularly suited to, those undertaking religious pilgrimages.

Success of such pilgrim receipts enforced realization that well-managed paper could win public acceptance. General circulation notes of the Saudi Arabian Monetary Agency date from 1961 with initial issues having featured architecture, in exquisite detail, and historic sites. Contemporary portraiture came later, dating from 1977. The King Fahd note which we illustrate was released in 1984. Ours is an exceptionally high grade circulation find.

Our eldest daughter, a Canadian expat currently domiciled in the Far East, has become well versed in world currencies, and brought home crisp riyals, including this note, when international duties once took her to Saudi Arabia. Some years earlier, she had learned to appreciate a good note in Young Numismatist activities at A.N.A.

Arab states in North Africa, the Near East, and Middle East have been commissioning increasingly attractive, intricate, and interesting paper money of late. This fact, combining with deep regard for cultural, social—and monetary—history, has led to outstanding numismatic exhibits, well worth seeking out, should jet-age travel take you to museums in that part of the world.

In all, five distinctively diverse notes of relatively recent origin, several of them not unduly pricey or difficult, and each of them “good” for the interest that it can arouse and the story that it can tell. ♦



Tradecard reminiscent of anti-counterfeiting patent?

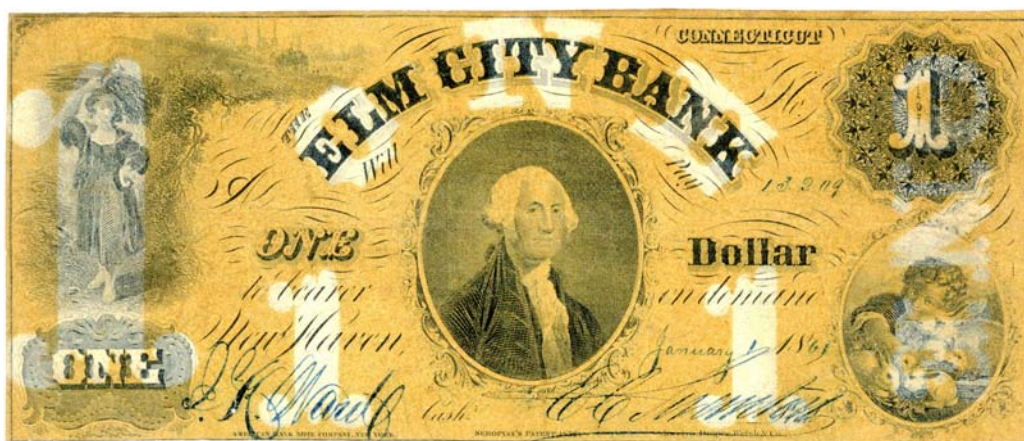
Reader C. John Ferreri came across this tradecard printed by Punderson & Crisand, New Haven, CT on line and shared it with author Q. David Bowers and the editor. "This looks like Punderson's use of Seropyan's Patent for an advertising card." Bowers, of course, wrote the wonderful award-winning opus *Obsolete Notes Issued by Banks in the United States, 1782-1866*, that describes the attempts of Christopher D. Seropyan to safeguard bank notes from photographic copying. Seropyan received his anti-counterfeiting patent on January 8, 1856.

Seropyan also received other anti-counterfeiting patents in 1846 and 1857. Working with chemists and photographers, Seropyan desired to safeguard banknotes from photographic-based counterfeiting. One solution was to insert a denomination into the background oiled surface of the paper. The principle being that the inventor's translucent blue ink would not receive the overall tint applied to the bank note. Another solution was to print designs on oil-impregnated custom-tinted

paper that absorbed but would not reflect light.

Seropyan's various patents were used minimally by banknote printers Danforth, Wright & Co., Bald, Cousland & Co. and American Bank Note Co.

Below: An ABNCo printed banknote under Seropyan's 1856 patent. Bottom: Christopher D. Seropyan's 1857 patent assigned to William Cousland and J.D. Bald.



UNITED STATES PATENT OFFICE.

CHRISTOPHER D. SEROPYAN, OF NEW YORK, N. Y., ASSIGNOR TO WM. COUSLAND AND J. D. BALD.

IMPROVEMENT TO PREVENT COUNTERFEITING BANK-NOTES, &c.

Specification forming part of Letters Patent No. 17,473, dated June 3, 1857.

The “Out in 1910” National Bank Note Trap

NATIONAL BANK NOTE COLLECTORS HAVE LONG REVERED the “Out in 1910” data published in their catalogs as a reliable measure of rarity for banks that liquidated early during the National Bank Note era. “Out in 1910” was the dollar total of unredeemed notes as reported by the Comptroller of the Currency based on the dollar total issued to the bank less the value of notes redeemed from circulation through 1910. Pricing of nationals often is heavily influenced by these numbers, especially if the balances are less than a thousand dollars.

If you are going to be charged based on these numbers, it is imperative that you understand the limitations and pitfalls associated with the creation of them. Probably your enthusiasm for these numbers will be appreciably diminished when you finish reading this.

What are “Out in 1910” Data?

The “Out in 1910” data were lifted by Louis Van Belkum from Tables 40 through 43 in the 1910 Annual Report of the Comptroller of the Currency. These data apply to banks that were liquidated prior to the date of the report, and



The Paper Column By Lee Lofthus and Peter Huntoon

show the then current amount that was supposed to be outstanding from the circulation of the bank. The tables were lengthy, taking up 34 pages printed in very small type (**Figure 1**). Both Hickman & Oakes and Kelly incorporated these data into their catalogs.

The last time these totals were published for the liquidated banks was in 1910. In contrast, similar data for failed banks were published through 1915. Both types of data share the same pitfalls, although we’ll examine only the 1910 data here.

The 1910 data for the liquidated banks are a slippery slope for the unsophisticated user because the playing field isn’t level. If a bank went out of business in 1870, 40 years of attrition would have worked its terror on the notes issued by that bank, and the total left in 1910 obviously would be very small. However, if the bank liquidated in 1909, only one year’s worth of attrition would have occurred and the total outstanding would be huge in comparison. The result is that the data are not internally comparable.

No. 60.—NATIONAL BANKS THAT HAVE GONE INTO VOLUNTARY LIQUIDATION UNDER THE PROVISIONS OF SECTIONS 5220 AND 5221 OF THE REVISED STATUTES, ETC.—Cont'd.

Name and location of bank.	Date of liquidation.	Capital.	Circulation.	
			Issued.	Out-standing.
Middleport National Bank, Middleport, Ohio.....	Sept. 5, 1898	\$50,000	\$11,250	\$640
First National Bank, Mason City, Ill.....	Sept. 15, 1898	50,000	46,755	2,625
Mankato National Bank, Mankato, Minn.....	Sept. 26, 1898	100,000	22,500	807
Citizens' National Bank, Sandusky, Ohio.....	Oct. 1, 1898	100,000	22,000	1,140
First National Bank, Ashburnham, Mass.....	Oct. 4, 1898	50,000	48,050	2,158
Total.....		11,450,000	2,119,251	208,057
Pontiac National Bank, Pontiac, Mich.....	Nov. 19, 1898	100,000	22,500	1,200
First National Bank, Jacksonville, Ill.....	Nov. 30, 1898	100,000	84,105	6,703
Farmers and Merchants' National Bank, Hickman, Ky.....	Dec. 5, 1898	50,000	11,250	417
Globe National Bank, Chicago, Ill.....	Dec. 6, 1898	1,000,000	45,000	1,990
Boston National Bank, Boston, Mass.....	Dec. 8, 1898	1,000,000	63,048	19,757
Columbian National Bank, Boston, Mass.....	Dec. 9, 1898	1,000,000	277,458	29,176
Lincoln National Bank, Boston, Mass.....	Dec. 12, 1898	500,000	169,890	5,290
National Eagle National Bank, Boston, Mass.....	Dec. 13, 1898	1,000,000	56,747	11,002
Market National Bank, Boston, Mass.....	Dec. 17, 1898	800,000	57,907	10,769
Howard National Bank, Boston, Mass.....	do.....	1,000,000	60,118	13,766
North National Bank, Boston, Mass.....	do.....	1,000,000	111,082	21,591
National Revere Bank, Boston, Mass.....	Dec. 19, 1898	1,000,000	80,315	19,248
Tremont National Bank, Boston, Mass.....	Dec. 20, 1898	1,000,000	57,705	9,950
Second National Bank, Springfield, Ohio.....	do.....	200,000	84,472	7,277
City National Bank, Greenville, Tex.....	Dec. 21, 1898	50,000	11,250	400
National Bank of North America, Boston, Mass.....	Dec. 22, 1898	1,000,000	165,223	19,826
First National Bank, Pineville, Ky.....	Dec. 30, 1898	50,000	10,750	570
First National Bank, Beaver City, Nebr.....	Dec. 31, 1898	50,000	11,250	430
Tyler National Bank, Tyler, Tex.....	do.....	100,000	22,500	1,550
First National Bank, Cleburne, Tex.....	Jan. 5, 1899	100,000	22,500	902
Rogersville National Bank, Rogersville, Tenn.....	do.....	75,000	16,870	1,070
Sixth National Bank, New York, N. Y.....	Jan. 6, 1899	200,000	171,212	13,022
Continental National Bank, Boston, Mass.....	Jan. 9, 1899	1,000,000	61,590	12,982
Manufacturers' National Bank, Boston, Mass.....	do.....	500,000	271,607	11,381

Figure 1 – This is a page from the 1909 Comptroller of the Currency Annual Report tables that showed the declining outstanding circulation balances for liquidated banks. The last such tables were published in 1910, and were where Van Belkum obtained the widely used Out in 1910 data.

However, collectors and dealers always have loved the Out in 1910 data, especially for the banks that liquidated very early, because the numbers are small and are used as proof positive that the survivors that they possess are great rarities. Both collectors and dealers enjoy deceiving themselves and others about the value of notes based on the merits of the smallness of the Out in 1910 numbers.

As astute buyers realize that now, after a century of additional attrition since 1910, the playing field is starting to level for all the early banks. The intervening attrition over this long period has rendered scarce to very rare all notes except from the banks with the largest circulations. Consequently, the sophisticated buyer uses other statistics or indicators that are not so fraught with problems. The use of internally comparable statistics, such as the varying circulation of a bank, the total number of notes issued, when the bank went out of business, the denominations issues, etc., yield a more informed result. The informed buyer can buy notes from banks with fairly large Out in 1910 figures that other criteria indicate should be scarce, and obtain equivalent rarities for a fraction of the price of those with low Out in 1910 numbers!

Aside from the fact that the Out in 1910 data are not internally comparable, it is important for the discussion at hand to recognize that the numbers themselves are deeply flawed. In previous articles, we have focused on the unreliability of the outstanding data that have been abstracted from the ledgers for individual issuing banks. Two major and widespread problems have been documented.

Sorting errors in the redemption process were pervasive and caused

redemptions to be credited to the wrong bank. These could cut both ways. If too many redeemed notes were credited to a wrong bank, the rarity of the notes from the bank became overstated. The converse was true if too few were credited, because the data would lead you to believe that more notes were outstanding than was the case. The bottom line is that the large out balances are unreliable, many being either too small or too large.

Additionally, bookkeeping procedures employed when the corporate charters of national banks were periodically extended caused tens of millions of dollars worth of unredeemed early issues to disappear from the outstanding totals carried on the bank's ledger because those notes were made the liability of the Treasury instead of the issuing banks. Consequently the numbers abstracted from the ledgers greatly exaggerate the true scarcity of notes from affected banks because there were more notes outstanding than the data revealed. Reliance on such data typically costs the buyer more money than justified.

Both of these problems impact the Out in 1910 data being discussed here, but things actually got much worse in many circumstances as you will see!

We can readily demonstrate that the data for an interesting class of banks listed in the Out in 1910 tables got thoroughly mixed and confused. The banks we will examine here are those that were liquidated and succeed by another with same title, but, of course, a new charter number.

The reason that the outstanding data for liquidated banks ceased to be published after 1910 was that it was a waste of time for the Redemption Agency to continue to sort and for the Comptroller's clerks to continue to account for the notes redeemed from those banks. Once a bank was liquidated, the bankers paid an amount equal to their outstanding notes into the Treasury redemption fund, and their outstanding notes became the liability of the Treasury. It would be sufficient to simply sort all the notes from the liquidated banks to one account and charge them off against the money held in the Treasury for their redemption.

The Comptroller who put this procedure into practice was Lawrence Murray. Murray was appointed by President Theodore Roosevelt in 1908. One insider, Thomas P. Kane wrote in 1922:

His administration of the Bureau always will be known by those who were officially connected with it at the time, as "the period of the reformation," because of the numerous innovations introduced and his utter disregard of law and precedent in the practice of the office and in the enforcement of what he termed modern methods of supervision of the banks.

When Murray took office, the National Bank Redemption Agency was overwhelmed by the voluminous sorting task required to handle the millions of dollars per day that were coming their way. Murray was determined to streamline procedures in order to improve the flow of the work and the responsiveness of his office. One way to do this was to reduce bookkeeping.

Obviously discontinuing the bank-by-bank record keeping for the outstanding circulations for the liquidated banks would help considerably. The magnitude of the reduction in that effort can be measured by the number of such banks that his clerks were tracking in 1910. There were about 2,130 of those banks.

How the Annual Tables for Closed Banks Were Created

The Outstanding circulations for the closed banks came from the National Currency and Bond Ledgers, the same ledgers that we have demonstrated to have been fraught with sorting and bookkeeping mistakes that simply compounded over the decades. After a bank was liquidated, those accounts were moved to a series of specialized redemption ledgers where the declining outstanding circulations were tracked as notes continued to be redeemed. The clerks simply compiled the tables in the annual reports from those balances.

Record keeping was particularly onerous for the harried clerks in the numerous cases where the liquidated bank was succeeded by another with exactly the same title but a different charter number. If the succeeding bank did not assume the circulation of the former, then separate accounts had to be maintained for both the old and new banks.

Our fun began when we started looking at situations where both the old and new banks were liquidated before 1910. There were plenty of such cases. The Out in 1910 tables then contained entries for both, and what a mess we found!

**TABLE 1: GRANVILLE, OH, FIRST NATIONAL BANKS
OUTSTANDING CIRCULATION COMPARISON**

Year	Declining Outstanding Circulation Balances	
	FNB Charter #388	FNB Charter #2496
	Liq Jan 14, 1879 Circ at Close \$45,000	Liq Feb 15, 1886 Circ at Close \$26,500
1879	\$28,993	n/a
1880	\$25,421	n/a
1881	\$21,751	n/a
1882	\$15,656	n/a
1883	\$10,256	n/a
1884	\$6,731	n/a
1885	\$4,471	n/a
1886	\$3,371	\$21,710
1887	\$2,856	\$15,990
1888	\$2,226	\$10,360
1889	\$1,886	\$6,090
1890	\$1,746	\$1,746
1891	\$2,590	\$1,586
1892	\$1,236	\$1,236
1893	\$1,436	\$1,290
1894	\$1,266	\$1,030
1895	\$1,276	\$570
1896	\$1,226	\$1,226
1897	\$1,186	\$1,186
1898	\$1,166	\$120
1899	\$1,166	\$1,166
1900	\$1,146	\$1,146
1901	\$1,146	\$1,146
1902	\$1,146	\$1,146
1903	\$1,096	\$1,096
1904	\$1,086	\$1,086
1905	\$1,086	\$0
1906	\$1,066	\$0
1907	\$1,065	\$0
1908	\$1,046	\$1,046
1909	\$1,046	\$1,046
1910	\$1,041	\$1,041
Census	One	Unreported

Sources: Comptroller of the Currency Annual Reports,
Census Data from Don C. Kelly 6th Edition.

We sympathize with everyone involved. On the front line, the poor sorters in the redemption agency simply couldn't keep the notes from the two banks separated because all had the same title. In the worst cases, the notes were from the same series, sometimes even the same plate layout. Many of the Original Series notes they had to deal with didn't even have charter numbers. What were they going to do, look at plate dates to figure things out?

In the back rooms, the clerks couldn't log the entries sent to them by the redemption agency into the right set of ledgers.

Let's look at some case histories. What you will see here are not the foregoing problems, but rather simple mix-ups caused by abstracting data for the wrong bank and putting it into the tables in the annual report. We already can assume that the numbers are no good, but even so, to see the data for the banks so thoroughly mixed is the last straw.

Case 1: The First National Banks of Granville, Ohio

Two banks operated in Granville, Ohio, under the title of The First National Bank. Charter #388 opened in April 1864 and was liquidated January 1879. The books showed that \$34,365 in nationals remained "on the street" at close. Charter #2496 opened October 1880 and closed February 1886 with \$26,500 out.

Take a look at **Table 1** and see with amazement that both 1910 balances just happened to be exactly \$1,041! This, of course, defies all odds.

We don't need to bloody you up by walking you through **Table 1** to see the obvious problems. A cursory glance by you at the numbers will reveal that the data for the two banks became commingled as early as 1890. The reported balances are clearly in error for the next 14 years for one or both banks.



The notes from Charter #2496 are shown as all redeemed from 1905 to 1907. This defies reason because #2496 was the younger bank by some 14 years. Clearly the notes from #388 had been credited into the account of #2496. Had they stopped publishing these tables in 1907 rather than 1910, charter #2496 would have been reported as all notes redeemed in our catalogs instead of a rounded \$1,040! Regardless, none of the reported numbers for either bank is any good.

The illustrations in **Figure 2** will give you an idea of the nearly impossible situation the redemption clerks faced. Shown are the certified proofs for the notes from both FNB of Granville charters – the economical Bureau of Engraving and Printing simply reworked the earlier Charter #388 plates into Charter #2496 plates, changing the Treasury signatures and dates. The basic layouts were identical, leaving no wonder that identification errors swept into the fast paced redemption process.

Figure 2 – Both First National banks of Granville, Ohio, issued \$10 and \$20 Series of 1875 notes. Shown are proofs of the \$20s issued to both charters (Charter #388 top, #2496 bottom). The same plate was used to print both, wherein only the plate's date and treasury signatures differed. Could you consistently sort such notes properly if you were unaware that there were two banks with the same title? The problem would be especially difficult when Original Series notes without charter numbers from Charter #388 arrived at your desk.

Cases 2 and 3: The Iowa City National Bank and the First National Banks of Pontiac

The Iowa City National Bank, Charter #977, operated from 1865 to 1875. A new Iowa City National Bank, Charter #2821, operated from 1882 to 1889. The First National Bank of Pontiac, Michigan, Charter #434, operated from 1864 to 1881. Charter #2607 with the same title succeeded it and operated from 1882 to 1892.

TABLE 2: IOWA CITY, IA, NATIONAL BANKS
OUTSTANDING CIRCULATION COMPARISON

Year	Declining Outstanding Circulation Balances	
	Charter #977 Liq April 14, 1875 Circ at Close \$112,500	Charter #2821 Liq Feb 7, 1889 Circ at Close \$45,000
1890	\$1,832	\$25,140
1891	\$1,819	\$16,610
1892	\$1,718	\$10,550
1893	\$1,624	\$6,780
1894	\$1,624	\$4,320
1895	\$1,580	\$2,950
1896	\$1,578	\$2,200
1897	\$1,556	\$1,630
1898	\$1,551	\$1,551
1899	\$1,531	\$1,531
1900	\$2,161	\$1,521
1901	\$1,511	\$1,511
1902	\$1,471	\$1,471
1903	\$1,461	\$815
1904	\$1,461	\$815
1905	\$1,461	\$715
1906	\$1,451	\$585
1907	\$1,450	\$585
1908	\$1,451	\$1,451
1909	\$1,451	\$1,451
1910	\$1,426	\$1,426
Census	Unreported	One

1877-89 Omitted for Charter #977. Sources as in Table 1.

Neither the younger of the Iowa City or Pontiac banks assumed the circulation of their earlier counterpart, although the newer Pontiac bank received Series of 1875 notes from plates the BEP updated from the Charter #434 plates. **Figure 3** shows the eye-test situation created by reusing the Pontiac plates. Once again notice that the final balances shown in 1910 for the respective pairs of banks are identical, the Iowa City pair at \$1,426 and the Pontiac pair at \$2,092 (Tables 2 and 3). This is too fantastic to be believed, and shouldn't.

The annual listings for both the Iowa City and Pontiac banks are so erratic that you can even see instances where the balances for surviving notes increase year to year rather than decline. It is obvious that the clerks making the tables were pulling the balances from the ledger of the wrong bank. It didn't matter, by then the redemptions for the banks already were mixed so none of the numbers were any good anyway.

Figure 3 (Below Left and Below Right) –The worn notes from both First National Banks of Pontiac were redeemed simultaneously for 30 years. The Series of 1875 notes for Charter #2607 (bottom) were printed from the same Original/1875 10-10-10-20 plate used to print those for #434, except the

plate date and treasury signatures had been updated. How could any harried sorter credit either to the right bank, especially Original Series notes without charter numbers from Charter #434?



TABLE 3: PONTIAC, MI, FIRST NATIONAL BANKS
OUTSTANDING CIRCULATION COMPARISON

Year	Declining Outstanding Circulation Balances	
	FNB Charter 434	FNB Charter 2607
	Liq Dec 31, 1881	Liq Dec 31, 1892
	Circ at Close \$90,000	Circ at Close \$21,750
1882	\$76,762	n/a
1883	\$55,745	n/a
1884	\$38,980	n/a
1885	\$24,630	n/a
1886	\$17,618	n/a
1887	\$13,665	n/a
1888	\$9,325	n/a
1889	\$7,093	n/a
1890	\$5,482	n/a
1891	\$4,652	n/a
1892	\$3,932	n/a
1893	\$3,537	\$3,537
1894	\$2,984	\$10,670
1895	\$2,654	\$7,640
1896	\$5,180	\$5,180
1897	\$2,614	\$3,850
1898	\$2,810	\$5,180
1899	\$2,387	\$2,387
1900	\$2,427	\$2,427
1901	\$2,387	\$2,387
1902	\$2,357	\$2,357
1903	\$2,307	\$2,307
1904	\$2,297	\$920
1905	\$2,297	\$2,297
1906	\$2,227	\$700
1907	\$3,227	\$700
1908	\$610	\$2,147
1909	\$2,147	\$2,147
1910	\$2,092	\$2,092
Census	Unreported	One

Sources as in Table 1.



Case 4: The First National Banks of Woodstock, Illinois

Important to this discussion is the fact that the errors are not limited solely to cases where we spot two banks having identical Out in 1910 balances. The books for the two First National Banks of Woodstock, Illinois, are great fun.

The first First National Bank of Woodstock, Charter #372, operated from 1864 to 1882 and ended with an Out in 1910 balance of \$1,220. The second with Charter #2675 operated from 1882 to 1889, and ended up with an Out in 1910 balance of \$440. There is no obvious sign anything is amiss with these data when you encounter either separately in the Hickman-Oakes or Kelly catalogs. However, when you find both and observe that the older bank has the larger number, you should be suspicious.

Table 4 discloses that as early as 1891 the bookkeeping between the two charters was confused and erratic. It is only luck of the draw that the clerks compiling the table in 1910 found the redemption ledgers for both banks and reported different balances. Do you believe that the balance for the younger bank should be a third of that for the older bank? Do you suspect that maybe the sorters were crediting Charter #2675 with the notes redeemed from Charter #372 all those years! Gee, imagine that. Do you want to pay three times as much for a note from Charter #2675 as one from Charter #372?

Conclusion

There are now three strikes against the reliability of the officially reported Out in 1910 data: (1) Widespread and massive sorting errors that caused notes to be credited to the wrong bank; (2) Write-offs of tens of millions of dollars of unredeemed notes during the extension of charters that are not accounted for in the Large Out Balances maintained for the affected banks; And now, (3) as documented herein, an inability to credit the proper balance to the right bank in cases where both had the same title.

The conclusion that we draw is obvious. The outstanding 1910 amounts listed in our catalogs are unreliable. It is now a case of buyer be very wary of these numbers. Develop and use other more reliable and internally comparable means to judge the rarity of the notes you buy and collect.

**TABLE 4: WOODSTOCK, IL, FIRST NATIONAL BANKS
OUTSTANDING CIRCULATION COMPARISON**

Year	FNB Charter 372 Liq April 30, 1882 Circ at Close \$45,000	FNB Charter 2675 Liq October 1889 Circ at Close \$27,000
	Declining Outstanding Circulation Balances	
1882	\$39,600	n/a
1883	\$27,100	n/a
1884	\$18,100	n/a
1885	\$10,650	n/a
1886	\$6,480	n/a
1887	\$4,190	n/a
1888	\$3,060	n/a
1889	\$2,340	n/a
1890	\$2,010	\$17,270
1891	\$1,790	\$1,790
1892	\$235	\$1,235
1893	\$1,595	\$4,860
1894	\$1,595	\$2,950
1895	\$1,475	\$2,190
1896	\$1,455	\$1,470
1897	\$1,425	\$1,190
1898	\$1,380	\$1,380
1899	\$1,355	\$1,355
1900	\$1,325	\$1,325
1901	\$1,305	\$1,305
1902	\$1,315	\$770
1903	\$1,255	\$770
1904	\$1,285	\$680
1905	\$1,185	\$1,185
1906	\$1,150	\$1,150
1907	\$1,250	\$540
1908	\$450	\$235
1909	\$235	\$1,235
1910	\$1,220	\$440
Census	Unreported	Unreported

Sources as in Table 1.

Acknowledgements

Don Kelly noticed that the 1910 outstanding balances for the two Granville, Ohio, banks were the same and immediately deduced that something was amiss. He brought this to our attention in 2008 with the question, what gives here? The Smithsonian Institution provided access to the certified plate proof illustrations.

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Lawrence O. Murray, Comptroller of the Currency, 1908-1913, from Kane (1922).



American Dollar Bills and Coins Need a Facelift

By Christopher B. Kuch, PhD

AMERICA HAS HAD THE “OLE GREENBACKS” SINCE THE beginning of our federal paper money. The basic same old size, same old presidents, and same old designs are what we tender have tendered as our currency for most of a century. We have only added some security measures to reduce counterfeiting. Basically we honor the same Founding Fathers (except Lincoln and Grant) on our money two hundred years after the fact. Yet, we have changed our coins, using more modern presidents. This very brief article suggests it is time to reduce the size of the original presidents portraits and include more modern presidents. The colors might be changed as well to present a modern appearance. It concludes that our coins might also be changed in terms of size and composition.

Dual Presidents’ Portraits on Notes

All original presidential portraits might be shrunk to about one inch and placed on the upper left hand corner. They should be printed in the original money green color. All of the new portraits of the modern presidents should be in full-color about two inches big.

- The \$1 bill might have a picture of Ronald Reagan as the center portrait.
- The \$5 bill might have a picture of John Kennedy as the center portrait.
- The \$10 bill might have a picture of Franklin Roosevelt as the center portrait.
- The \$20 bill might have a picture of Dwight Eisenhower as the center portrait.
- The \$50 bill might have a picture of William Clinton as the center portrait, subject to legislation that precludes living persons from appearing.
- The \$100 bill might have a picture of Richard Nixon as the center portrait.

I realize there will be lengthy discussions about which presidents to choose for our new-looking money. Thus, we must be fair to both political parties, base our choices on popularity, and historical significance. To start this discussion I have suggested these presidents because of the following. Reagan because of his enormous popularity, bringing us out of economic chaos, and his leadership with ending the Cold War. Kennedy because of his economic conservative policies, his popularity, and because of his tragic murder. Roosevelt because of bringing us out of the Depression and his popularity. Eisenhower because of his leadership in WW2 and his post-war economic policies. Clinton because of his popularity. Nixon because of his ability to get us out of French-initiated Vietnam War and opening political dialog with China.

We might consider changing the back sides of the bills to include pictures of spectacular looking places within the U.S. Such as a picture of the

Niagara Falls, Las Vegas night lights, New York City's Manhattan District, Florida's coastal beaches, The Grand Canyon, and a satellite view of the Great Lakes.

Change of Colors

If one has travelled overseas, he will find countries utilizing multiple colors on their paper money. While it was originally an anti-counterfeiting measure to use green colors on paper money, this color is easily made by print shops today. We might consider printing the bills with the following colors: ones printed in purple (for royalty), fives in orange (for the Sixties), tens in Brown (as an earth tone), twenties in blue (for traditions), fifties in red (for truthfulness...), and one-hundreds in teal (to be different).

Coins

We have changed the size, devices, and composition of coins in the past. The cent has changed drastically in size over the years and was made of steel during WW2. The other fractional coins have mostly remained the same size and made of silver or to look like silver. We should match the material worth with the actual value. Perhaps we could continue to make pennies out of copper and zinc or aluminum, but change our nickles to brass. The dime can be made of copper nickle. The quarter, fifty cent and the dollar coin could be made of aluminum, too.

The size of the new coins should also reflect the visual worth. For instance, one penny should be the smallest coin such as the size of a dime today. The nickle could be the size of a cent today. The dime, the size of a nickle today. The quarter slightly smaller than what it is today. Fifty cents slightly smaller than what it is today. Finally, the dollar coin should be slightly bigger than a fifty cent piece and the largest coin. It might need to be made thinner to compensate for the actual value.

The obverses of the coins might display famous American minorities. For example, Colin Powell, Sandra Day O'Connor, Martin L. King, other ethnicities and or course Bill Cosby. The backs of the coins could include famous modern American inventions or accomplishments. Such as the computer system, automobile, moon landing, nuclear power plant, oil well derricks, and the Golden Gate Bridge.

Summary

While we gave our paper money a very slight face lift recently by increasing the size of the portraits of these old presidents and adding some color, it is time to really enter the 21st Century. Congress can debate and choose which modern presidents might be on our paper money. As a starting point we should choose presidents after Lincoln. Then choose three Republican and three Democrat presidents. Their full-color pictures will reflect the modern era of printing, while retaining the traditional, smaller, money-green portraits of the framers. Bright colors will present a new, creative, and bold look.

Our coins can reflect the actual worth by size and material. We will give honor to sometimes forgotten or neglected American accomplishments. Every one-hundred years we can update our money to reflect more recent presidents that stand out in our history. We can shrink the newly added presidents of the 20th Century and place them on the upper right hand corner. Perhaps, in one-hundred years our descendants we will be able to choose among future presidents.

The author is an American College Professor living and teaching in Istanbul, Turkey. ❖

Mary O. Movius, National Bank President

By Karl Sanford Kabelac

The Movius family, father, mother and nine children emigrated from Germany to America in the spring of 1867. The youngest child was three year old Mary Ottillie Movius, who had been born on August 21, 1863. They originally settled in Minnesota and then moved to what is now South Dakota. In 1884, she became the postmistress of Big Stone City, a community in the northeast corner of the future state, and continued in that position for ten years.

Two of her brothers, Emil and John, were early settlers in Lidgerwood, ND arriving in 1887. Lidgerwood, named for George I. Lidgerwood, a railroad engineer, is in the southeastern corner of the state, about one hundred miles north of Big Stone City. In 1894, Mary joined them in Lidgerwood. One of their several business ventures was a bank, the Movius State Bank, which was founded in 1896. By 1900 the new community had a population of almost 600.

On April 15, 1901, the bank became The First National Bank of

Lidgerwood (Charter #5772). The local newspaper noted, "The Movius brothers, and Miss Movius are to be heartily congratulated on this event, not only for what it will do for themselves but what it will do for the town." Brother Emil was the president, brother John the cashier, and Mary the assistant cashier. In 1910/11 she became the cashier and, with Emil's unexpected death on July 6, 1916, after a stroke, she was elected the president on July 11.

The bank had originally been in a wooden building that burned in 1902. Then they constructed a brick building, but that was damaged in a 1912 fire. A

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Otto F. Streege, S. O. Quammen,
H. F. Jahoda, C. A. Bonzer,
James Goolsbey.

NOTE.

When the new bank takes over the old bank, Mr. A. W. Johnson will assume the Cashiership and become a stockholder and director and active manager of this institution.

It is with a great deal of pleasure that the officers, directors and stockholders announce that the New First National Bank in Lidgerwood opened for business Wednesday morning, July 1st.

You are cordially invited to come in and see us that we may become better acquainted.

"HOW CAN WE SERVE YOU"

Advertisement for new bank (charter #12776) which was housed in the same building as the former bank from *The Lidgerwood Monitor*, July 2, 1925. Today this building is the home of the Lidgerwood City Library.

beautiful new building, said to have cost \$50,000, with the banking rooms "arranged with all the modern conveniences found in city banks" was then built and opened in 1913.

As bank president she was active in the Association of Bank Women, a national professional organization, after its founding in 1921. For example, in 1923 she gave a talk at their first mid-western meeting in Kansas City, MO on banking matters. The bank's two women assistant cashiers, Margaret E. Voyek

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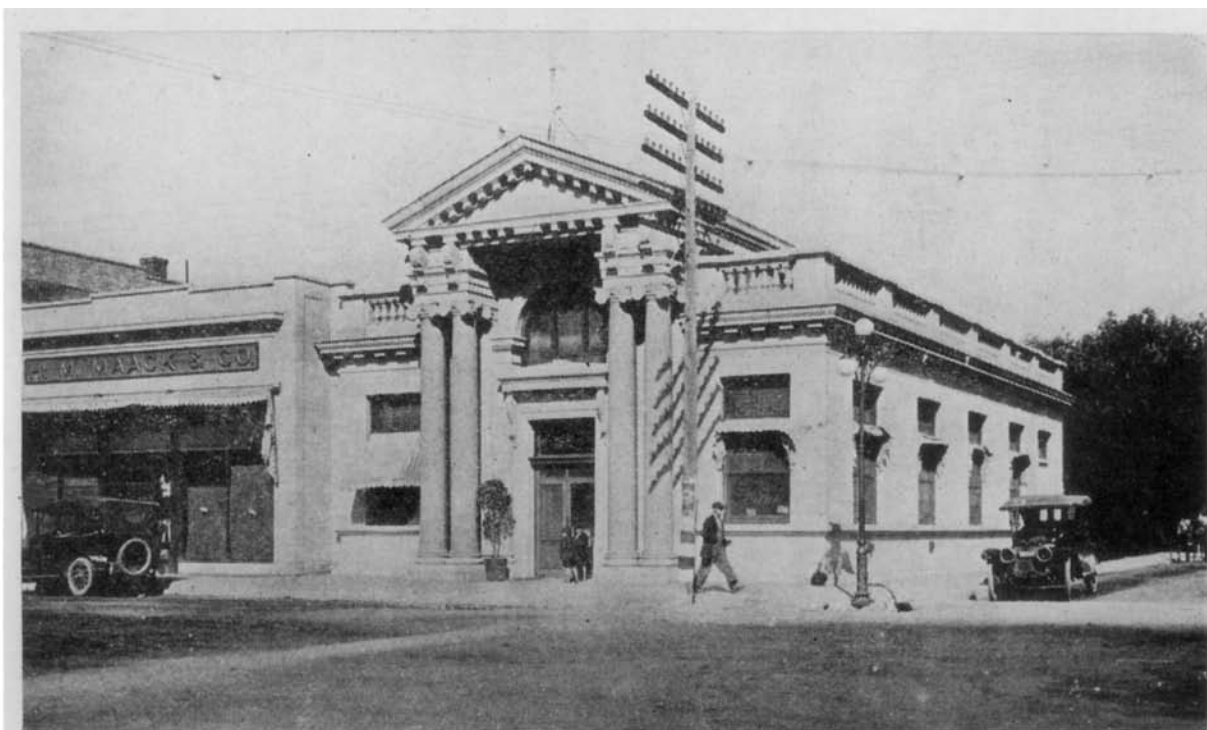
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WHERE A WOMAN IS PRESIDENT. THE FIRST NATIONAL BANK, LIDGERWOOD, N. D. MISS M. O. MOVIUS, PRESIDENT

Picture of the bank and caption from Anne Seward, *The Women's Department*, 1924, a book about women and banking careers.

and Ella C. Parizek, were also early members of this organization.

But the early 1920s were not good times for an agricultural state like North Dakota. Land values and commodity prices both dropped. And the state was "over-banked" with more banks in proportion to its population than any other state in the union. These factors took their toll, one of which was the closing of The First National Bank of Lidgerwood on June 16, 1924.

The Comptroller of the Currency listed the failure as category C: "Local financial depression from unforeseen agricultural or industrial disaster." Early hopes that it would reopen were not to be. A new bank, The First National Bank in Lidgerwood, housed in their beautiful building, did open a year later.

Miss Movius then made her living as a bookkeeper. She died on August 25, 1949, just after her 86th birthday, from complications in a fall. It was noted that until the day before she fell she had been at work. Her obituary called her Lidgerwood's "Grand Old Lady," having been an active and important member of the community for 55 years. Among her community roles was service on the city council, a founder of the public library, treasurer of the local women's club, and an active member in the Methodist Church. It also noted that she was "always ready and willing to lend a hand to the good cause or the downtrodden" and "for many years she cheerfully ignored her age, and now she is gone."

The First National Bank in Lidgerwood built and moved to a new building in 1980 and today continues as a branch of the Bank of the West banking conglomerate. Given her interest in the public library, it is fitting that the former bank building became the home of the Lidgerwood City Library in 1982. It continues to serve that role in the community today.

Sources and acknowledgements

The useful history of the community is *Lidgerwood, Yesterday, Today & Tomorrow*, Lidgerwood Centennial Committee, 1985, especially pages 16-19



(Movius family), 53-55 (Library), and 155-156 (Banks). The death and funeral of Emil A. Movius are in *The Lidgerwood Monitor* for July 6 and 13, 1916, and the election of Mary O. Movius as president of the bank is in the latter issue. The closing of the bank is recorded in the same newspaper for June 19, 1924, with some follow-up articles on July 31, August 7 and 21, 1924. The opening of the new bank is in the paper for July 2, 1925. Miss Movius was the very first woman national bank president to become a member of the Association of Bank Women. As such, she was mentioned in various publications. Key Cammack, "Madam Bank President," *The Woman Citizen*, October 4, 1924, p. 12, 28 has a long detailed paragraph about her, and *The Bankers Magazine*, June 1923, p. 1106 discusses the groups' first mid-western meeting at which she spoke. Anne Seward, *The Women's Department*, The Bankers Publishing Company, 1924, and Genieve N. Gildersleeve, *Women in Banking; A History of the National Association of Bank Women*, Public Affairs Press, 1959, both mention her career. Miss Movius' 85th birthday was featured in an article in the Lidgerwood paper for August 26, 1948, and her death and funeral in the issues for August 25, 1949, and September 1, 1949. I am grateful for the assistance of John D. Movius, her grandnephew; the late Forrest Daniel; and the Lidgerwood Community Museum for help with this article.

Series 1902 note with stamped signature of M. O. Movius as president and signed signature of M. [Margaret] E. Voyek as assistant cashier. The other woman assistant cashier in the bank, E. [Ella] C. Parizek, is also known to have signed national bank notes with Miss Movius. (Courtesy Heritage Currency Auctions)

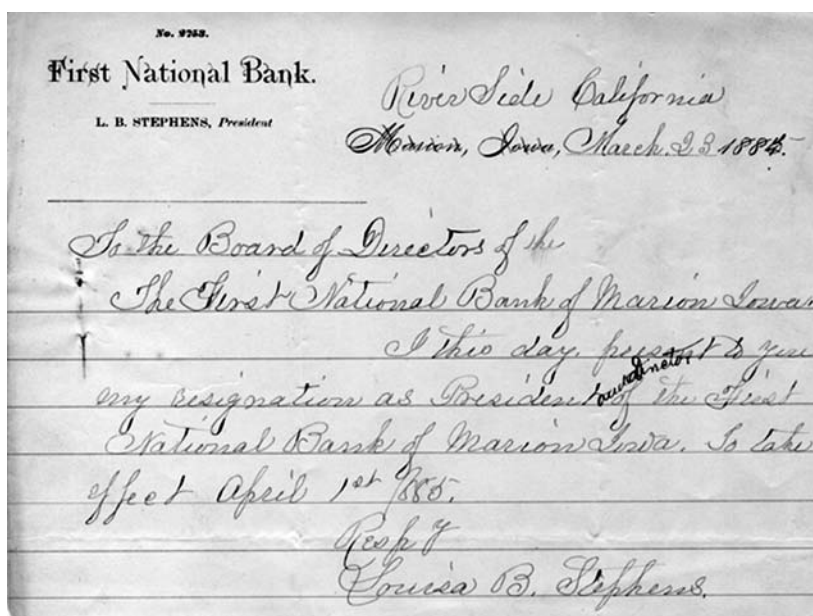
Update to article on Louisa B. Stephens

Fred:

Mrs. Stephens, apparently the second woman president of a National Bank, became president of the First National Bank of Marion, Iowa in 1883 following the death of her husband, who had been president. My article on her appeared in *Paper Money*, May/June 2008, p. 235.

The bank is now a part of Wells Fargo, and Marianne Babal of the Wells Fargo Historical Services has recently found her resignation letter of March 23, 1885 (shown). She also found that Mrs. Stephens had been elected a director of the bank on November 19, 1877. The Photo is courtesy of Wells Fargo Archives, Wells Fargo Bank N. A.

-- Karl Sanford Kabelac



Suddenly: It is 1848

By Q. David Bowers



The first page of a well-used copy of *Thompson's Bank Note Reporter*, July 1, 1848.

Thompson's Bank Note Reporter

Recently, through Tom Denly, a copy of *Thompson's Bank Note Reporter*, dated July 1, 1848, came to hand. Although I have seen and owned my share of bank note reporters, also referred to as counterfeit detectors and related terms, I paused to spend an hour or so looking through its pages.

Thompson's was issued monthly and sold to merchants, bankers, and others who had occasion to handle money. In the days before the linotype machine was even dreamed of, type had to be set by hand, letter by letter, digit by digit, space by space. It is not surprising, therefore, that the July issue, with 32 pages in the front section, about bank notes and the like, and eight pages in the back section, was not much different from the previous issue.

The back eight-page section was titled *Supplement to Thompson's Bank Note Reporter, containing all Those Gold and Silver Coins Most Generally Found in Circulation*. The last was more or less "stock," and just about every issue before and after July 1 of 1848 had the same coin pictures.

The July 1, 1848 Issue

As to the first 32 pages, the editor under "posting up for July," gave a brief commentary on current financial events. Perhaps emphasizing the worth of the little magazine to those who cared to spend \$2 per year for the weekly edi-

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- 13597 Terrence Murphy (C), Rob Kravitz
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tion, \$1 for the semimonthly version, and just 50¢ for a copy each month, the lead paragraph shortstopped a rumor:

“A newspaper paragraph is going around stating that the notes of the PRINCETON BANK, N.J. are not redeemed in Philadelphia. They are redeemed the Bank changed its account from one bank to another, and from this the report was started.”

This is obscure, to be sure, but someone reading this would keep in mind that a bill of Princeton Bank was worth taking in. Other news concerned treasury notes, state bonds, land warrants, and the like. “Money is not abundant, although it is much easier than the average of the past 10 months.” This referred to the availability of money on loan. Today we would say “credit.” Stated another way, credit was tight in July 1848.

Regarding changes in the hundreds of different notes listed in the first section, there did not seem to be much.

“In Uncurrent Money we have but little change to note—Canada, Ohio, and Virginia we quote a little better. The Mineral Bank, Md., we quote 1½. St. Albans, Vt. 1; we are buying the Erie Bank, Pa. at 62¢ on the dollar, and the Atlas, N.Y. 75¢ and 95¢ on the dollar.”

The figures for the Mineral Bank and the St. Albans Bank represent discounts from face value. A \$10 note discounted 1½ was thus quoted at \$9.85.

The news continued:

“The State of Ohio has become the most important money institution on this continent. With 37 branches covering the whole state—all bound together by one common interest and in all important respects all governed by one head, the Board of Control. It now issues five and a half millions of currency—sustains accommodations line, in the way of notes and bills discounted, of millions; it holds two millions of specie, and has cash \$400,000.”

Specie referred to gold and silver coins, the reserve being quite substantial. Typically, a bank or group of banks (although most banks were single operations) had a small fraction of its net worth in gold and silver coins at any given time. These were on hand to redeem currency on demand. However, such coins sitting in the bank vault were not productive. It was much better to loan them out on interest. In 1848, Thompson lavished high praise on the State Bank of Ohio. As the years went by, such matters would change, some banks would spring in to providence, and others would fade away.

J. Thompson, 61 Wall Street, was also an exchange broker—buying and selling all old paper money, from good to worthless. The last was of value to sharpers who attempted to pass bills in distant locations to unaware merchants. At the same time Thompson bought and sold silver and gold coins and traded in government bonds. The July 1st issue stated that, “since we were not successful bidders for the loan, it may be presumed that we can’t impartially estimate the prospective market value.” The reference was to a United States loan which the government recently had put out for bid.

THOMPSON'S
BANK NOTE REPORTER

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The *Reporter* is published daily, (Sundays excepted,) and devoted to the collection and dissemination of news relative to Banks, particularly all intelligence that may in any way affect the value of bank notes,—new banks,—bank failures,—new counterfeits, &c. &c., embracing every passing event, touching the monetary interests of the country.

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Bank Notes from the Various States

After the first page of such news, which varied from issue to issue, the reader began many pages of bank notes listed by region, beginning with Maine, continuing with New Hampshire and Vermont, then Massachusetts, Rhode Island, and Connecticut—comprising the New England states. From there, commencing on page 11, the banks of New York City were listed individually, then New York state, then other states. The drift then changed to additional current news on the rest of page 31 and on 32, closing out the first section. On the last page an advertisement was carried with the title “Coin books for the million!” This was not numismatic, of course, but was a notice for the forthcoming separate publication, *Thompson’s Coin Chart Manual*, with between 500 and 600 gold and silver coins to be found in circulation, including 200 new pictures.

Taking a closer look at one of the states listed in the first section, New Hampshire, the first listing is for the Ashuelot of Keene, traded at $\frac{1}{4}$ th of 1% discount. Samuel Dinsmoor was president and T.H. Levitt was cashier, useful information to verify signatures on current notes.

For the next listing, the Bank of Lebanon, in the New Hampshire town of that name, Robert Kimble was president, and J.H. Kendrick was cashier. Specifics were given concerning counterfeits, noting that among \$2 notes from the Perkins Stereotype Plate, a bill was “badly executed, paper thin.” Some are signed “R. Kimble, pres., J.H. Kendrick, cash.” Other \$2 and \$3 counterfeits were described. Then came a brief description of a \$20 note issued by the Bank of Lebanon: noting that the center vignette depicted a farmer seated with a sickle, and the end pieces show the steamboats and railcars. “Engraved by the Boston Bank Note Co.” Then came this information: “Also 5’s, 10’s, and 50’s.” For the last several denominations there were no descriptions of the designs.

Such information repeated for hundreds of banks was useful in that the holder of a note could determine whether the bills were being traded and if the bank was still in existence. On the next page of New Hampshire listings, we find for the Claremont Bank of Claremont, “closed,” with no further comment, with the same notation for the Concord Bank in Concord, the Exeter Bank in Exeter, and the Farmers Bank of Amherst, among several others. This was highly useful information as a perfectly nice appearing Farmer’s Bank note might be otherwise taken in, only for the recipient to learn that if it was given to another bank, it might be refused. Tellers and merchants needed to be sharp and on the lookout.

Speaking of the Farmer’s Bank of Amherst, and the research that David Sundman and I have been doing for New Hampshire notes for many years, for one reason or another, only a single note in tattered condition from this once active bank—flourishing in the 1820s—has ever been found! I cannot help but wonder where they all went. If one were lucky enough today, it would certainly be worth in the hundreds of dollars if not more, ironic, as in 1848 such a bill would be viewed as worthless.

Bank note reporters such as this have been the key to note descriptions

THOMPSON'S REPORTER.

—○—

Rules to be observed in referring to this Bank Note List.

1st. The States are placed in geographical order, commencing with the eastern.

2d. The name of the Bank is in full-faced type; the rate of discount is carried out to the end of the line.

3d. The letter (D.) attached to a bank indicates that the rate of discount is doubtful. The Safety Fund banks in the State of New York are designated by (S); the Free banks by (F). If a bank is dashed (—) it is worthless. If the name of a bank cannot be found in this list, do not take it.

4th. The names of the present President and Cashier, follow immediately under the Bank, and the description of counterfeits, altered notes, &c., follow next.

5th. The 1st page is devoted to money articles, statistics, &c., except when used for Mercantile Cards.

6th. Our quotations are made to correspond with the rates of doing business at our Exchange Office, 64 Wallst.; where every branch of a Money and Stock Broker's business is done, upon fair and honorable principles.

Key to the Reporter listings.

MAINE and NEW-HAMPSHIRE.

UNITED STATES.

Treasury Notes, 6 per cents. 3 @ 4 pr
Do. do. mill & five 2-5ths. 2 @ 3 "
 500 dollar Treasury Notes, altered from the Eagle Mining Co. of Indiana; vignette a stooping eagle on the limb of a tree, Washington on the left end, and the goddess of Commerce on the right. Very unlike the genuine.

MAINE.

Agricultural Bank, Brewer, Broke —

Androscoggin Bank, Topsham, 1/4
 [Chas. Thompson, Pres., John Coburn, Cash.]

Augusta Bank, Augusta, do
 [Thos. W. Smith, Pres., George W. Allen, Cash.]

1's, let. E; good imitation—pay M. Crady, Jan. 1, 1812. Perkins' old steel plate.

1's, 2's & 3's, altered from some broken bank.

3's, let. A, Jan. 1842, stereotype plate.

Bangor Commercial Bank, Closed —

Bank of Bangor, Bangor, 1/4
 [Samuel Veazie, Pres., W. S. Dennet, Cash.]

1's, 2's, 3's and 5's, altered; hold them to the light.

Bank of Cumberland, Portland, do
 [Wm. Moulton, Pres., Samuel Small, Cash.]

3's, let. B. vig. a ship and Mercury—steamboat between the officers' names. Paper very poor.

5's, vig. a ship under full sail; the head of Jackson on the right end, and Van Buren on the left—well done.

Bank of Old Town, Orono, Fraud —

Bank of Portland, Portland, Closed —

Bank of Westbrook, Westbrook, 3
 [S. Jordan, Pres., A. G. Fobes, Cash.]

Bath Bank, Closed —

Belfast Bank, Belfast, 1/4
 [James White, Pres., N. H. Bradbury, Cash.]

1's, beware of drafts of the LUMBER ASSOCIATION on this bank, dated in New-York City.

Biddeford Bank, Biddeford, do
 [W. P. Haines, Pres., S. S. Fairfield, Cash.]

10's, are said to be in circulation—we have not seen them.

50's counterfeit well executed, but rather pale.

Brunswick Bank, Brunswick, do
 [Richd. T. Dunlap, Pres., A. C. Robbins, Cash.]

3's. This bank has redeemed all its genuine 3's.

Calais Bank, Calais, 10
 [G. Downes, Pres., J. A. Lee, Cash.]

Canal Bank, Portland, 1/4
 [J. B. Osgood, Pres., J. B. Scott, Cash.]

1's, altered from a broken bank—Howard, cash.

2's, altered from a broken bank, Howard, cash.

20's, altered from a broken bank—hold it to the light.

50's, altered from a broken bank. "CANAL" and "Portland" slightly defective; signatures poorly done.

Casco Bank, Portland, do
 [Eliphalet Greeley, Pres., John Chase, Cash.]

3's, altered from the broken Citiz. Bk. Augusta.

5's, altered from some fraudulent institution.

Castine Bank, Broke —

Central Bank, Hallowell, 1/4
 [Citizens' Bank, Augusta, (closed)

City Bank, Portland, (closed)

Commercial Bank, Bath, 1/4
 [J. Robinson, Pres., Thos. Agry, Cash.]

2's, let. A, vig. rail cars and laborers, a man on horse and a man with a scythe. Altered from a Michigan Bank.

2's, 3's, 5's & 10's, altered from a Michigan bank.

10's, altered, vig. cog-wheels, vessel, and rail cars in the distance. "Bath" and "Maine" are defective.

Damariscotta Bank, Noblebor, Closed —

Eastern Bank, Bangor, 1/4
 [A. M. Roberts, Pres., W. H. Mills, Cash.]

1's, beware of drafts of the N. Y. Foreign and Domestic Exchange Co. payable at this bank.

1's, counterfeit, let. D—badly none.

3's, vig. steamboat, ship, & sloop, and read "pay for the New York Foreign & Domestic Exchange Co."

3's, let. A, May 4, 1833. The fin. print is defective.

5's, altered from the Globe Bank of Bangor. Howard, cash., Parsons, pres., and some have Bryant, pres.

Exchange Bank, Portland, Closed —

Franklin Bank, Gardiner, 1/4
 [Henry Bowman, Pres., Hiram Stevens, Cash.]

Frankfort Bank, Broke —

Freemen's Bank, Augusta, 1/4
 [Benj. Davis, Pres., Wm. Caldwell, Cash.]

3's, 5's & 10's, altered from broken Citizens' Bank; likely to deceive. Paper is whiter than the genuine.

Frontier Bank, Eastport, do
 [Samuel Wheeler, Pres., Edward Hisey, Cash.]

3's & 5's, altered—Frontier and Eastport badly put on.

Gardiner Bank, Gardiner, do
 [Sam. C. Grant, Pres., Joseph Adams, Cash.]

2's, let. A.—blurred, particularly the ends and "two."

3's, let. A. various dates, Sam'l C. Grant, pres., Joseph Adams, cash. The bills appear blurred.

Georgia Lumber Co., Portland, (broke) —

Globe Bank, Bangor, Fraud —

Granite Bank, Augusta, 1/4
 [W. A. Brooks, Pres., Silas Leonard, Cash.]

5's, altered from broken Citizens Bank, Augusta, Me.

Hallowell and Augusta Bank, Broke —

Kenduskeag Bank, Bangor, 1/4
 [G. W. Pickering, Pres., T. J. Dodd, Cash.]

5's, let. L. pay H. Clay, June 18, 1832.

5's, let. L. pay C. Carroll, Sep. 1832, T.S. Dodd, cash., & Wilkins, pres. Parts of the bill are pale, others dark.

Kennebec Bank, Broke —

Kennebunk Bank, Closed —

Lime Rock Bank, Thomaston, 1/4
 [Knott Crockett, Pres., E. M. Perry, Cash.]

Lafayette Bank, Bangor, Closed —

Lincoln Bank, Bath, 1/4
 [Geo. F. Patten, Pres., John Shaw, Cash.]

5's let. L. "patent five" round the letter.

Manufacturers' Bank, Saco, do
 [Wm. F. Haines, Pres., S. S. Fairfield, Cash.]

10's, an alteration; description not known.

Machias Bank, (never went into operation)

Maine [late Cumberland] Bank, Closed —

Manufacturers' Bank, Portland, 1/4
 [J. Richardson, Pres., E. Gould, Cash.]

Mariners' Bank, Wiscasset, do
 [Henry Clark, Pres., S. P. Baker, Cash.]

Medomak Bank, Waldoborough, do
 [James Hovey, Pres., Geo. Allen, Cash.]

3's, an alteration; vig. two females and anchor.

Megunticook Bank, Camden, do
 [Joseph Jones, Pres., Hiram Bass, Cash.]

3's, altered from the broken Citizens Bank of Augusta, Me.

Mercantile Bank, Bangor, 5

Merchants' Bank, Portland, 1/4
 [Wm. Woodbury, Pres., R. Mitchell, Cash.]

1's, let. A. June 6, 1839, H. Ellis, cash. B. Brant, pres.

Engravers, Terry, Pelton & Co., Boston and Prov.

5's, vig. a female, grain, &c.; a female on each end.

Has Durand & Co. N. Y., as engravers. Poor imitation.

5's, vig. a female with a sickle and sheaf of grain, man on a horse in distance; goddess of Liberty on left end.

Northern Bank, Hallowell, do
 [F. Glazier, Pres., J. C. Dwight, Cash.]

Negumkeng Bank, Closed —

Oxford Bank, Fryeburgh, Fraud —

Penobscot Bank, Bangor, (closed) —

People's Bank, Bangor, Closed —

Pasamaquoddy Bank, Broke —

Sagadahock Bank, Bath, 1/4
 [Joseph Sewall, Pres., D. F. Baker, Cash.]

Saco Bank, Closed —

St. Croix Bank, Calais, Closed —

Shovegan Bank, Bloomfield, 1/4
 [Wm. Allen, Pres., S. Philbrick, Cash.]

10's, an alteration; counterfeit signatures.

South Berwick Bank, South Berwick, do
 [W. A. Hayes, Pres., Chas. E. Norton, Cash.]

Still Water Canal Bank, Broke —

Thomaston Bank, Thomaston, 1/4
 [Richd. Robinson, Pres., J. D. Barnard, Cash.]

5's, vig. Mercury, shipping, &c.

5's, altered—"Thomaston Bank" and "Maine" blurred—engraved by N. Eng. Bank No. 6. Well done.

10's, an alteration; vig. a ship and a steamboat; the word "Thomaston" is coarsely done.

Ticonic Bank, Waterville, do
 [Timo'y. Boutelle, Pres., Augus. Perkins, Cash.]

Union Bank, Brunswick, Closed —

1's, The time for redeeming its notes expired June 1, 1845.

Waldo Bank, Belfast, Closed —

Washington Co. Bank, Calais, Closed —

Waterville Bank, Broke —

Winthrop Bank, Broke —

Wiscasset Bank, Broke —

York Bank, Saco, 1/4
 [Jona. King, Pres., Henry S. Thatcher, Cash.]

5's, purporting to be Perkins' stereotype plate—those having a check plate on the back, have not been counterfeited.

5's, let. L. pay F. Lord, May 6, 1832, Henry S. Thatcher, cash. Jona. King, pres. Dark impression.

NEW-HAMPSHIRE.

Asheuelot Bank, Keene, 1/4
 [Sam'l Dinwiddie, Pres., T. H. Leverett, Cash.]

Bank of Lebanon, Lebanon, do
 [Robert Kimball, Pres., J. H. Kendrick, Cash.]

2's, Perkins stereotype plate, badly executed—paper thin, some are signed, R. Kimball, pres., J. H. Kendrick, cash.

2's, let. A; S in Hampshire's not on a line with the rest.

2's and 3's, counterfeit.

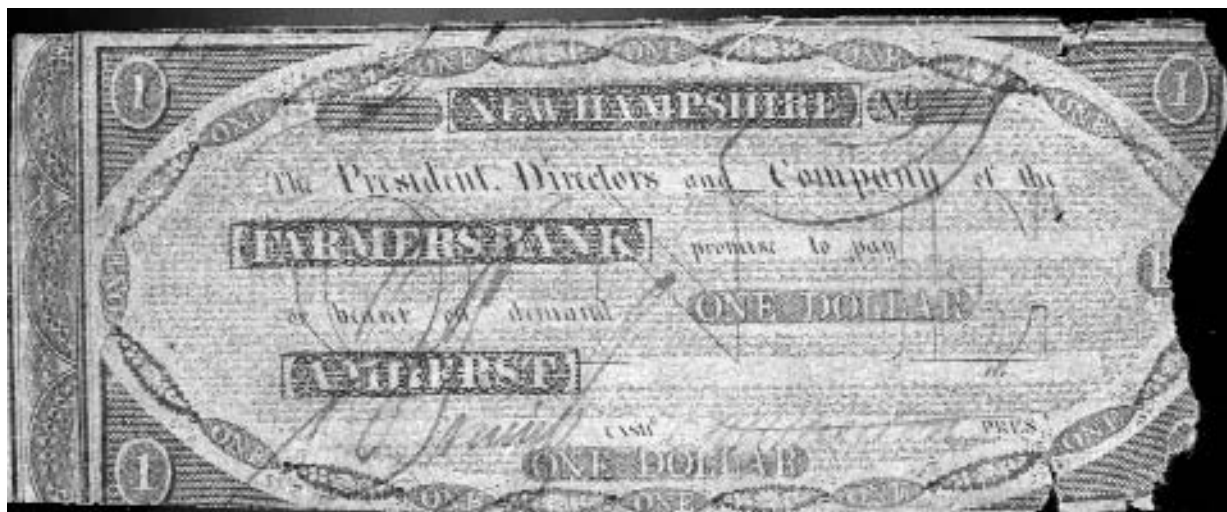
20's, vig. a farmer seated with sickle. End pieces, steamboat and rail cars. Engraved by Boston Bank Note Co. Also, 5's, 10's and 50's



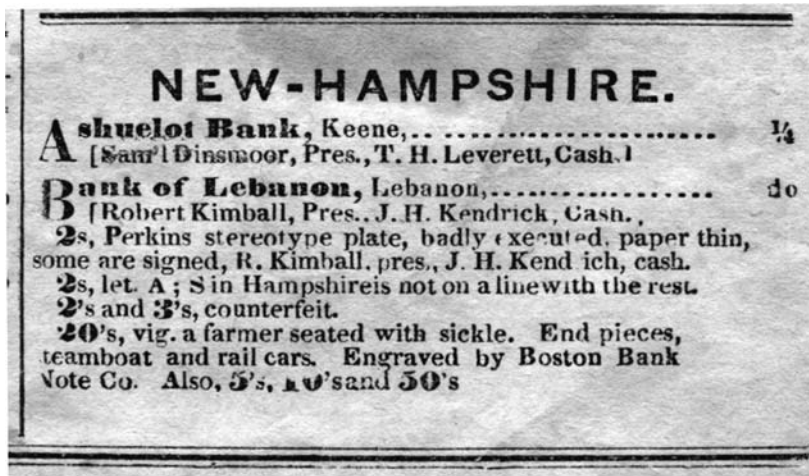
Bank of Belfast (Maine) \$5 note with the signatures of James White, president, and N.H. Bradbury, cashier.
This bank's notes were sound in 1848 and traded at only a small discount.



The Concord Bank in New Hampshire, was listed as closed in 1848, useful information for anyone offered a note.

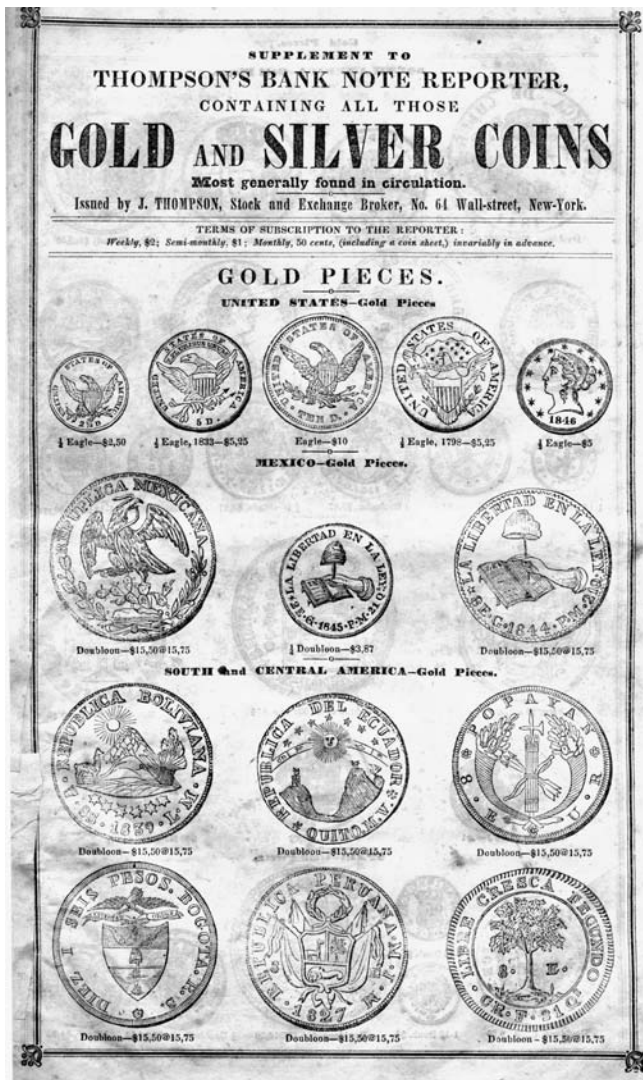


A \$1 note from the Farmers Bank of Amherst, New Hampshire. This example, from the Swasey Collection, is the only bill of this bank the author has been able to find. At one time they were common in circulation. Where did they all go?



Detail of the New Hampshire listing.

Below: The first page of the eight-page coin section—with many pictures but little useful information.



in many modern reference books on obsolete paper money.

Counterfeits

The amount of counterfeit currency in circulation in 1848 is not known. There was no central clearing house for such matters, and the federal government was not much involved. Banks were chartered by states, except in the federal District of Columbia where they were chartered by Congress. Some banking commissions kept careful watch on institutions, and others supervised just loosely if at all. The threat of counterfeit notes was trumpeted by issuers of bank note reporters such as Thompson.

Contemporary information reveals while counterfeits were common in circulation, they were not particularly disruptive to commerce. If a note was questioned, the typical action of a bank teller or store keeper was to pass that note out first in change! In that way the bad notes kept circulating year after year, which is precisely why today on the numismatic market many such pieces show more evidence of use than do genuine notes. Another factor is that a closed bank did not redeem notes, and thus they continued to remain in the channels of commerce. In contrast, an active bank would replace older notes with newer notes from time to time.

Gold and Silver Coins

The listing of coins at the back of the Thompson booklet was standard, varied little from issue to issue, and was not of much practical use. There was no information about counterfeits, weights of coins, or anything else except the exchange value.

We learn that an early United States half eagle, before 1834, is worth \$5.25, and a current eagle is worth \$10. Mexican gold doubloons were quoted at \$15.50 to \$15.75. In 1848, there were probably more foreign silver and gold coins in commerce than those of the United States—a rather strange situation when considered today. Certain specific coins of the current and former Spanish-American countries to the south, coins of England, and those of Europe were legal tender in commerce, and would remain so until the implementation of the Act of February 21, 1857 (which provided that all such foreign coins be turned in to the Treasury or otherwise disposed of within two years; a later six-month extension was given). In the 1850s, such foreign pieces could be redeemed at the various mints, based upon current exchange values.

Among coins currently struck for circulation in the United States were copper cents, silver half dimes, dimes, quarters, half dollars, and dollars, and gold \$2.50, \$5, and \$10 pieces. The gold dollar would not become a reality until 1849, and the double eagle not

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BANK NOTE AND CHECK HOLDERS

SIZE	INCHES	50	100	500	1000
Fractional	4-3/4" x 2-1/4"	\$21.60	\$38.70	\$171.00	\$302.00
Colonial	5-1/2" x 3-1/16"	\$22.60	\$41.00	\$190.00	\$342.00
Small Currency	6-5/8" x 2-7/8"	\$22.75	\$42.50	\$190.00	\$360.00
Large Currency	7-7/8" x 3-1/2"	\$26.75	\$48.00	\$226.00	\$410.00
Auction	9 x 3-3/4"	\$26.75	\$48.00	\$226.00	\$410.00
Foreign Currency	8 x 5	\$32.00	\$58.00	\$265.00	\$465.00
Checks	9-5/8 x 4-1/4"	\$32.00	\$58.00	\$265.00	\$465.00

SHEET HOLDERS

SIZE	INCHES	10	50	100	250
Obsolete Sheet					
End Open	8-3/4" x 14-1/2"	\$20.00	\$88.00	\$154.00	\$358.00
National Sheet					
Side Open	8-1/2" x 17-1/2"	\$21.00	\$93.00	\$165.00	\$380.00
Stock Certificate					
End Open	9-1/2" x 12-1/2"	\$19.00	\$83.00	\$150.00	\$345.00
Map & Bond Size					
End Open	18" x 24"	\$82.00	\$365.00	\$665.00	\$1530.00

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The complete section on United States silver coins.

until 1850. The largest gold coin of the realm was the Spanish-American doubloon or eight escudos worth slightly over \$15 as noted. These were issued by the various Central and South American countries.

A lot of the illustrations are “pretty pictures” with no relevance whatsoever to a user of the magazine; Thompson simply copied them from other sources. As an example, the reverse of a English Una and the lion £5 was shown with the rather useless information, “sovereigns \$24.20.” Had the obverse been shown it would have been dated 1839. Trouble is that this particular coin was struck only in Proof format and presentation sets and was never circulated in the United States. However, the *Thompson’s* price of \$24.20 sounds precise, thought out, and all such other hype. The general useless nature of this section is typified by silver coins of the United States, in which six miscellaneous denominations are illustrated and their worth is given as face value. Some fakery was involved, as the reverse of the dime is that of an earlier \$2.50 piece, with the denomination changed.

Paper Money in Circulation

Leaving *Thompson’s* behind, some comments regarding paper money in circulation in 1848 may be of interest. There were no federal bills. All were issued by banks chartered by the various states (or Congress in the case of banks located within the federal District of Columbia), plus some local and regional circulation of scrip and notes put out by railroads, canals, and other enterprises. The most popular denominations in use were the \$1, \$2, \$3 and \$5, logical enough when you consider that a typical day’s pay for a laborer was about a dollar. For larger transactions \$10 and \$20 notes were often seen. Higher denominations including \$50 and \$100 were rarely seen, and still higher values such as \$500 and \$1000, which were put out by quite a few banks, tended to remain in vaults as currency on hand. It would be a rare shop keeper, if indeed anyone, who would take a \$500 or \$1000 note over the counter.

Today, of course, the \$3 notes are not familiar, and the saying “as phony as a 3-dollar bill” is sometimes heard. However, in 1848 this was a very common and popular denomination. It’s interesting to observe that when Legal Tender

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notes were first issued by the federal government in 1862, a \$3 was contemplated, but this never happened. The lineup of Legal Tender notes included \$1, \$2, \$5, \$10, \$20, \$50, \$100, and scattered higher values.

Elsewhere on the American Scene

In 1848 James Knox Polk was in the White House. In the election contest of 1844 he was considered to be a strong possibility for vice president, with Martin Buren expected to get the nod for president at the Democrat nominating convention.

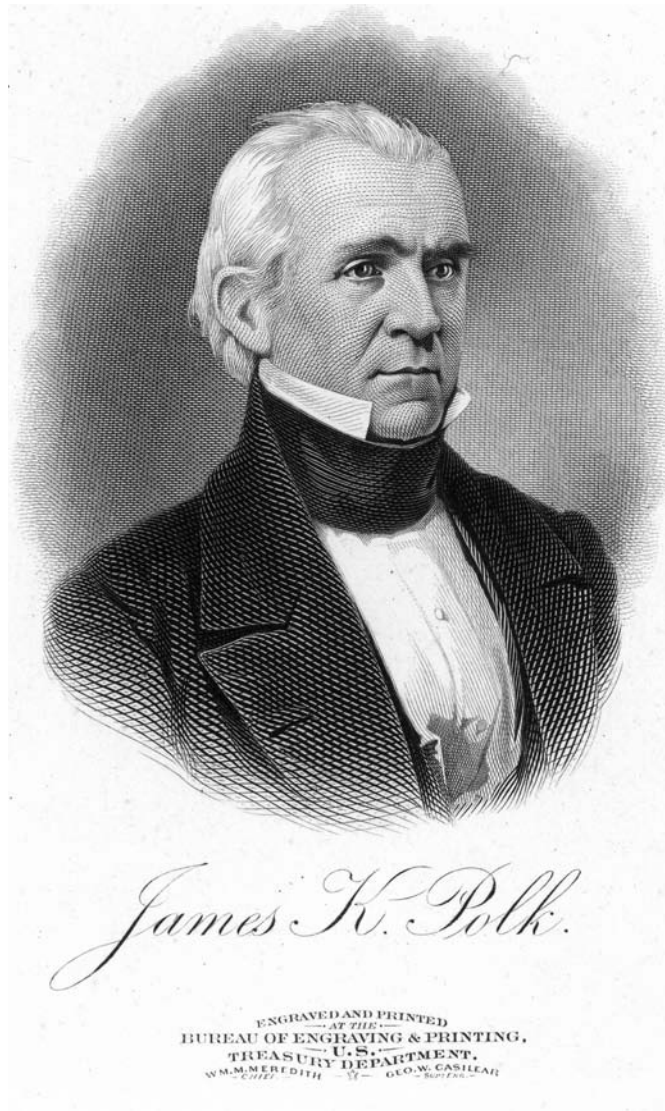
Polk aired his expansionist views, stating that Texas, California, and the Oregon Territory should come under federal control, upstaging what the earlier defeated (in 1840) Van Buren had to offer. Ex-president Andrew Jackson, in retirement, admired Polk's views as a part of the "manifest destiny" to enlarge the United States, and influenced attendees to nominate him as president, which happened on the ninth ballot. In the general election in November he beat Henry Clay, the Whig candidate.

In office, the president intimidated and negotiated with England to secure much of the Oregon Territory, defining what became the southern border of Canada. To secure California, Polk sent an envoy to Mexico with an offer of \$20 million plus cancellation of damage claims owed. The thought of selling such a vast territory was not interesting to the authorities to the south, and they declined to discuss the matter. To force attention, Polk sent General Zachary Taylor and troops to the Rio Grande area. This was perceived by the Mexicans as aggression, and they attacked the American forces. Thus was launched the war with Mexico of 1846 and 1847. Mexico acknowledged defeat after a series of decisive battles. California and New Mexico were ceded to the United States for \$15 million and settlement of damage claims.

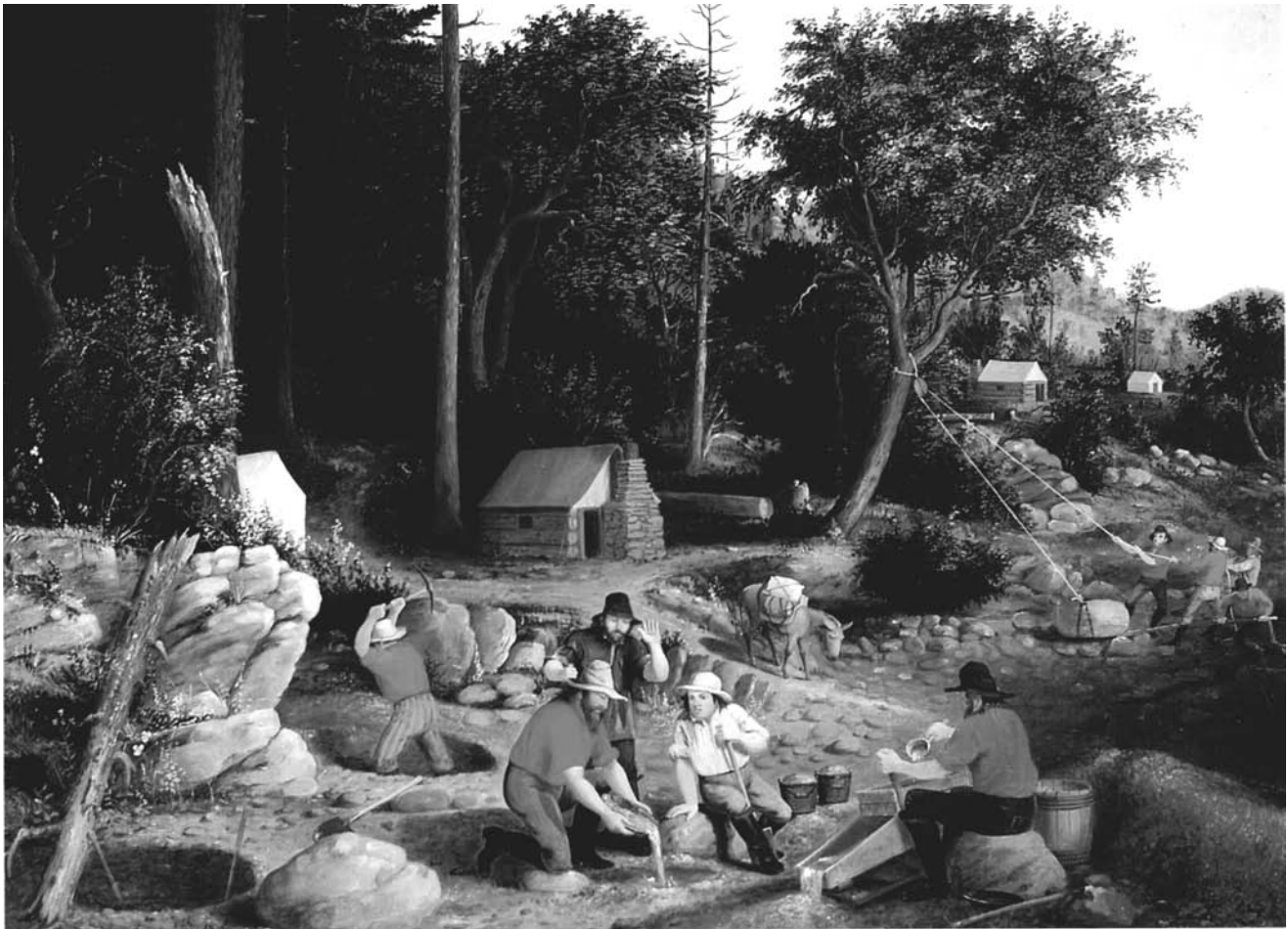
Soon afterward, on January 24, 1848, John Marshall, who was helping to build a sawmill on the American River in California saw some tiny gold flakes in the mill race. These were tested at Sutter's Fort and were found to be gold. John Sutter wished to keep the matter secret, so as not to disrupt business at the Fort and on the vast ranchlands surrounding. However, the news could not be contained. Not long afterward, Sam Brannan rode horseback through San

Francisco streets shouting "Gold! Gold! Gold on the American River," inducing thousands to quit their jobs and head inland to the bonanza site. The news of the gold strike would be slow in spreading to the East, and it was not until August 19th that tales of the bonanza mesmerized readers of the *New York Herald*. By year's end, between 5,000 and 10,000 fortune seekers were camped on the American River and environs, and many of them had struck it rich. In San Francisco, ships lay deserted in the harbor and stores were closed for lack of clerks, as the able-bodied joined the "Gold Rush." Now, America was literally defined as extending from sea to shining sea.

Elsewhere in 1848, Harvard president Edward Everett made this statement concerning complaints over the admission of a black to that venerable institution: "If this boy passes the examination he will be admitted; and if the white students



Engraved portrait of President James Knox Polk by the Bureau of Engraving & Printing.



A Gold Rush painting, *Miners of Placerville*, by A.D. O. Browere, 1855. Oil on canvas, 26 X 36 in. (National Cowboy and Western Heritage Museum, Oklahoma City, OK)

choose to withdraw, all the income of the college will be devoted to his education.”

Wisconsin, which had adopted a territorial government in 1836, joined the Union as the 30th state in 1848. On March 28, 1848, John Jacob Astor died at the age of 84, having amassed a fortune estimated at \$20 million in the fur trade (Astoria, Oregon and Astoria, New York are named for him, as are Astor Place and the Waldorf-Astoria Hotel in New York City). He was an early advocate of buying corner properties, as he felt that their location, facing on two streets, would be doubly good for commercial purposes.

The developing science-art of economics got a boost with the publication of *Principles of Political Economy*, by British economist-philosopher and former child prodigy John Stuart Mill.

The influx of gold into the eastern markets in 1849 lifted spirits and commerce, resulting in a great expansion of banks and of paper money in circulation. ♦

From Black Market to Barter Mart in Postwar Germany

By Loren Gatch

IN ADDITION TO THE DAMAGE IT INFLECTS UPON LIFE AND property, war also disrupts the currency relations that make normal economic exchange possible. In Germany after World War II, the sheer magnitude of the Allies' destructive campaign and the dislocations of a four-power occupation gave rise to a distinctive financial adaptation—the “Cigarette Economy”—which, prior to the currency reform of June 1948, competed with the discredited Reichsmark as the means by which destitute Germans satisfied their economic needs. As well-supplied American occupiers (and later their wives) arrived, a black market trade in cigarettes flourished, with brands like Chesterfields and Lucky Strikes serving as something like the gold standard of economic valuation. With the enthusiastic cooperation of American soldiers, who repatriated many millions of dollars in black-market earnings, Germans desperate for the necessities of life bid up the exchange value of cigarettes to absurd heights.

In an attempt to rein in the excesses of the cigarette-fueled black market, the American military authorities (or Office of Military Government, United States—OMGUS) resorted to officially-sanctioned barter centers, known generally as “Barter Marts.” These were stores where the former enemies could come together for commerce. Germans could present their luxury items for appraisal; Americans brought in staples, particularly cigarettes; and both sides received in exchange barter scrip valid for purchases from the stores' inventories.

Approved by the commanding general in Berlin, General Lucius B. Clay at the behest of his wife, OMGUS opened the first store there in June 1946. That October, General Joseph T. McNarney, the head of U.S. forces in Frankfurt, permitted the opening of a second store in that city. Far from providing an alternative to the black market, these “Barter Mart” experiments probably heightened the GIs' acquisitive instincts and reinforced the status of cigarettes in the barter economy. Both stores were wound up by mid-1948, as the introduction of the Deutschmark re-established more normal monetary conditions in postwar Germany.

Origins of the “Cigarette Economy”

Germany's recovery in the immediate aftermath of the war was hampered by three problems: the sheer scale of the destruction; Allied uncertainty as to whether reconstruction of the former Nazi Germany was even a good thing; and the division of the defeated country into four occupied zones. The fact that the Allies initially kept in place the Nazi-era machinery of price controls practi-



cally guaranteed the emergence of a pervasive black market, where particularly desirable consumer goods sold at up to 100 times the legal price. Barter was a daily fact of life for average Germans, particularly between residents of the devastated cities and the relatively untouched rural areas that still produced a food surplus. Cut off from their eastern breadbasket by increasingly hostile Russians, Germans in the British, French, and American occupation zones lived on meager official rations supplemented by whatever could be bartered from local farmers, who quickly surrounded themselves with the luxuries of desperate urbanites.

While fraternizing with civilians was officially forbidden, American soldiers soon entered the barter business in a big way, encouraged in part by monetary conditions in the immediate postwar period. The four victorious powers had agreed to a common monetary arrangement that involved new issues of occupation marks at parity to the existing Reichsmarks in circulation. American soldiers received their pay in occupation marks, which they were allowed to swap without limit into U.S. funds at the rate of 10 marks to the dollar. Incredibly, the Russians were given the plates to print their own occupation marks, which vastly swelled the money supply and encouraged rampant inflation on the black market. Unusable at home, Russian soldiers spent their marks in occupied Germany with abandon. For their part, American soldiers profited enormously by selling PX supplies into the black market for occupation marks. Then they could convert them into dollars at the fixed 10:1 rate, and send them home as postal money orders. Always in demand, cigarettes became a particularly lucrative object of black-market profiteering. With OMGUS focused upon the importing of food for civilians, the chief source of cigarettes was the allied soldiers themselves. British and American brands were most prized. A carton of Lucky Strikes purchased for \$1 at the Post Exchange (PX) would sell for upwards of 1000 marks, giving enterprising American soldiers a quick hundredfold return. It was these transactions that fed the dynamic of the unfolding "Cigarette Economy."

The Frankfurt Barter Center.
Germans lined up outside with their
heirlooms to trade for necessities.



A German appraiser on the second floor of the Frankfurt barter mart under the supervision of a U.S. officer.

Very quickly the Americans and their allies realized that their common currency with the Russians only contributed to black-market inflation and a fleeing of their coffers. In July 1945 the Americans and British refused to redeem occupation marks printed in the Russian zone. In September 1946, the Americans introduced a military scrip, usable only at authorized establishments, that sought to sever the financial connection between the occupiers and German civilians. This restriction only reinforced the salience of cigarettes in the barter economy. Packs and cartons of them became the standard of value for rating a multitude of other transactions.

Cigarettes were, of course, desirable simply as a smoking pleasure in their own right. Yet their standardized features and divisibility have always made them a convenient means of exchange in informal economies when regular money is wanting. In occupied Germany, barter would not go away no matter what the military authorities did, because each side had something that the other wanted. Indeed, the cigarette standard functioned ultimately because the Germans themselves found it useful. In February 1947, for example, German police in Hamburg posted a 1,000 cigarette reward for information in a murder case! However, the premise of the cigarette standard remained the vast economic gulf between the occupying powers and the defeated population. Germans were near starvation, and their conquerors lived in comparative material comfort. For their part, American GIs looked at the inedible luxuries that the Germans had to offer—antiques, cameras, jewelry, silver, fine china—and grasped the immense acquisitive opportunities that victory had afforded them.

With a single cigarette going in Berlin for seven marks, GI Joe became “Ingenious Joe”, converting PX cigarettes into Reichsmarks to a degree that vastly expanded his black market purchasing power. Demand for cigarettes at the PXs from soldiers transacting on the black market was so high that the PXs soon rationed them. No matter: enterprising soldiers engaged bulk delivery of cigarettes from the home front, shipped at no cost through the Army Post Offices (APOs). American firms even advertised in the *Paris Herald-Tribune*, which circulated widely amongst the Americans, offering cheap and quick shipments of smokes. Overwhelmed with processing thousands of packages of cigarettes, APOs clamped down on the trade. In response, nimble GIs merely shifted to bartering a variety of

staple goods widely available at the PXs but in dire need by the Germans, until these goods too became subject to rationing. While the APOs would no longer permit cigarette shipments, they could do nothing to stop the sending of ordinary food products, which flooded the APOs in place of the earlier surge of cigarette-laden packages. The flow of packages went the other way, too, as Americans' purchases of bartered German luxuries streamed back over the Atlantic, and all at taxpayer cost.

By mid-1946 it was clear that the black market, and the enthusiastic American participation in it, was both endemic and an increasing propaganda liability for the American occupiers. Black market activities reflected the low morale and indiscipline of an occupying force that did not wish to be there. The scale of their activities made American soldiers look like greedy exploiters of suffering German civilians. While Germans everywhere competed in the humiliating practice of *Stummeling*, or the feverish collection of cigarette butts thrown to the pavement or left in ashtrays, GIs were buying the favors of *Fräuleins* with packs of American cigarettes. This contrast was toxic for civil-military relations, especially when American visitors and their wives at even the Cabinet and Congressional levels spent their PX-supplied cigarettes in the national flea market that was Germany.

The average enterprising GI not only lived well on practically no outlay, but sent enormous sums back home. In one single month in 1945, GIs in Berlin alone remitted \$3,163,519, over \$100,000 more than their pay—and that even after spending some \$300,000 at the PXs! By November 1945, GIs were prevented from sending home more than 100% of their pay. That limit, along with the introduction of military scrip, was supposed to stanch the flow of profits, but American military authorities throughout the European theater always seemed to be one step behind the black market. By one later estimate, GIs in Germany repatriated a half billion dollars of what were euphemistically called “poker earnings”.

The black market both corrupted the American soldier and aggravated German resentments of their occupiers. If the black market could not be vanquished, then it might at least be regulated. In an attempt to bring transactions into the open and minimize the grosser exploitation of German civilians, General Clay permitted the establishment of a barter center in Berlin, while General McNarney did the same in Frankfurt. At the “Barter Mart”, Americans brought in their wares—chiefly cigarettes, but also

U.S. Army Signal Corps photo of the line of people outside the Frankfurt Barter Center.



other staples—while the Germans brought in their fineries. Both sides were issued a form of store scrip—“Barter Units” in Berlin, and “Barter Unit Certificates” (BUTES) in Frankfurt—which each side could use to purchase the offers of the other. While the Barter Mart did not eliminate the black market, it could at least allow Americans and Germans to transact in a more regular and transparent way.

At the outset, in Berlin, “Barter Units” were rated in Reichsmarks, but it quickly became the practice to regard the scrip as representing some fraction of a carton of cigarettes. After rating a carton of cigarettes at 20 units, the American authorities raised it to 45 and then 95 units. These values only encouraged GIs to flood the Barter Mart with cigarettes imported from home, and by September 1946 OMGUS re-rated them again to 55 units. Since OMGUS allowed only cigarettes bearing tax stamps (i.e., that had been legally shipped from home), to trade at the Barter Mart, PX-sourced cigarettes continued to flood into the wider black market, where the rate was more favorable to the Americans.

This haphazard attempt at monetary policy under a cigarette standard brought Barter Mart values roughly in line with the black market, and business flourished. The basic advantage of the Barter Mart was that, within the black market economy, at least these transactions were legal. Neither the Americans nor the Germans risked having their inventories confiscated by the authorities. At the Frankfurt Barter Mart a pound of butter was priced at 16 BUTEs; a pound of coffee, at 18. A Leica camera, coveted by the Amis, went for the equivalent of 23 cartons. As the magazine *Der Spiegel* acidly pointed out, Americans were particularly “Leica-crazy”, and for good reason. *Der Spiegel* conjectured, “for 5000 cigarettes (about 22 dollars and 50 cents) they can acquire their beloved Leica. And for 600 dollars they can sell the camera in the States. Six hundred dollars will purchase 134,000 cigarettes and, in turn, 26 4/5 Leicas.” The mathematics of the black market made it irresistible to American soldiers.

From the outset, OMGUS had doubts about the wisdom of accommodating the black market, since the Barter Marts only reinforced cigarettes as the standard of value. A symptom of this was that the areas around the Barter Marts themselves became centers of black market activities, reflecting their proximity to vast supplies of cigarettes. Indeed, the Soviets, smarting perhaps at the sudden invalidation of their occupation marks the previous year, accused the Americans of running

The former Frankfurt Barter Center as it appears today.



the Berlin facility as a way of extracting unauthorized reparations from the Germans! With the Berlin APO processing 1,000 cartons a day, OMGUS announced that cigarettes would no longer be accepted after January 1, 1947, at the Berlin Barter Mart, although Clay (a chain smoker himself) resisted the idea of banning outright the private importation of cigarettes. Nonetheless, Clay considered the Barter Mart experiment to have been a mistake. Indeed, an army committee examining the cigarette phenomenon concluded that it “set up a currency competitive to the legal currency which discredits the German currency, with resulting maladjustment of rationed goods and legal processes.” Putting it more bluntly, one American military official characterized the handling of monetary issues generally as “incredible American Army dereliction and ineptness, if not something worse.” With GIs importing cigarettes from home to the tune of \$100,000 a month, the Barter Marts in Berlin and Frankfurt essentially functioned as conduits for the entry of cigarettes into Germany’s black market economy. The Frankfurt Barter Mart’s BUTE scrip was particularly coveted by locals because of the perception that it was ‘backed’ by some 20,000 cartons of cigarettes. The fact that the Frankfurt scrip was even counterfeited was only a testament to its stature.

How the Barter Marts Worked

If they did not end the black market, the Berlin and Frankfurt Barter Marts did bring some transactions out into the open and placed some limits on the exploitation of the civilian population. At the very least, the setup of the Barter Marts brought both legality, and perhaps a little dignity, to the black market experience. Of the two, the Frankfurt store became the more important one because of its location in the western sector. Housed in a vacant store space at Kaiserstraße 48-50 (at the corner of Weserstraße) a few blocks from the train station, the Frankfurt Barter Mart operated on two floors. German civilians, who formed long lines outside beginning early in the morning, brought their heirlooms and antiques up to the second floor. There, a team of German appraisers, supervised by American officers, assigned points to each item. These points converted into paper BUTEs that the Germans could use to purchase vital commodities, deposited by the Americans, on the first floor. Most BUTE transactions took place for cigarettes, which the Germans then used for transactions on the external black market. However, as OMGUS restrictions on the import of cigarettes took effect, Americans began bringing other commodities like coffee or lard, to stock the Barter Mart’s inventory.

BUTE prices at the Frankfurt Barter Mart could not be substantially out of line with the black market generally, since too great of a divergence would drive barter transactions off the premises. In any event, daily turnover was as high as 85%, and the store quickly became the major shopping center in the American and British zones. Special trains were even engaged during the holiday season to bring eager Germans to Frankfurt for shopping at the Barter Mart. The valuation of the items was left to German appraisers, who assigned a value in BUTEs to whatever item their countrymen brought in. Naturally, the suspicion arose that German appraisers favored their own against the Americans. Yet, in this fantastic world where a single carton of cigarettes bartered for many times the weekly wage of a German worker, it would have been hard to object to any particular valuation. Beyond providing some regularity to black market pricing, both Barter Marts served the important purpose of physically separating the Americans and the Germans. Nonetheless, the American authorities were sensitive to the perception that the Barter Marts amounted to official recognition of exploitation by a conquering power, and looked forward to their closure.

OMGUS did later ban the private importation of cigarettes in May 1947 as part of a crackdown on the black market, but by this time the “Cigarette Economy” was so entrenched that the ban only drove up the value of cigarettes,

provoking German complaints that the Americans had implemented the ban as a way of further punishing the conquered population! In any event, the ban proved ineffective in extinguishing the black market. Ultimately, the black market and its cigarette standard disappeared only when free markets and a credible monetary system were reestablished.

In early January 1948, Clay announced the Berlin and Frankfurt barter centers would accept no more goods after April 1, and would close on the first of May. Outstanding scrip would become valueless at that time. The inventories in both locations were liquidated in a vast close-out sale that brought out to the Frankfurt location alone 2,500 customers, mostly army wives, who cleaned out most of the remaining inventory in exchange for military scrip rated at 5 cents a BUTE. Proceeds from these sales, and from a final lottery to dispose of remainders, amounted to some \$38,000 and was turned over to the German Youth Activities group. Ironically, the building at Kaiserstraße 48-50 was next put to use as an Army PX.

Once the Soviets withdrew from the Allied Control Council in March 1948, a long-overdue monetary reform in the Western part of Germany became feasible. As it became generally known that the Reichsmark would finally be abolished, the black market rate on a carton of Luckys shot up to a high of 23,000 Reichsmarks which, if they could have been converted into dollars at the old official rate, would have earned its lucky seller \$2,300. On June 20, 1948, the Reichsmark disappeared, replaced by the new Deutschmark at a conversion ratio of roughly ten to one. This monetary reform, along with Ludwig Erhard's shock program of wage and price decontrol finally put the Germans on the path to recovery, and eventually stubbed out the last embers of the "Cigarette Economy".

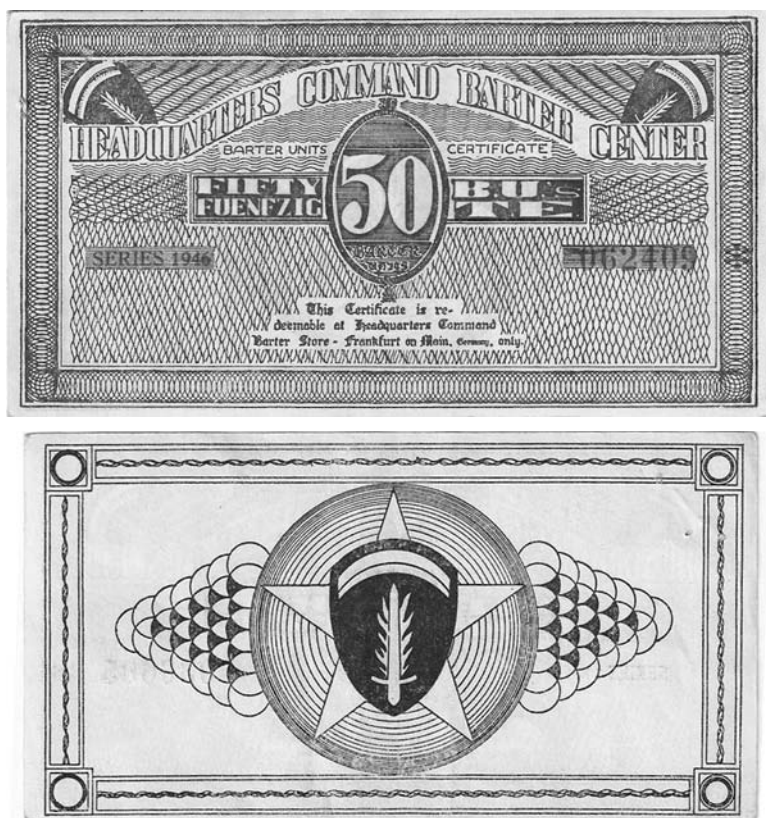
Types of Barter Scrip

One series is known for the OMGUS Barter Center in Berlin, in the denominations of 1-, 5-, 10-, 25-, 50-, and 100-"Barter Units" (though Schwan and Boling report only the 1- and 5- denominations extant (SB nos. 601-606).



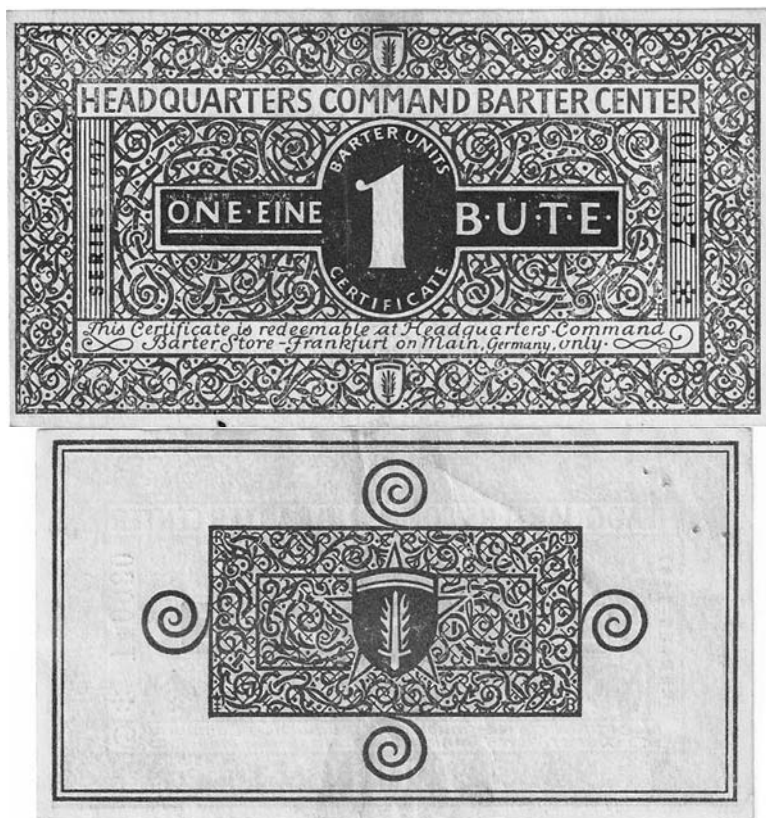
1 Barter Unit (SB 601)

Four main varieties of "Barter Unit Certificates" (BUTES) were printed for the Headquarters Command Barter Center in Frankfurt. The first variety consisted of the series of 1946 and 1947 and differed only by the date, and the color of the 50-BUTE note (SB nos. 611-622). These also appeared in denominations of 1-, 5-, 10-, 25-, 50- and 100-BUTES.



50 BUTEs (SB 615)

A second variety, issued between July and September 1947, became necessary when the earlier variety was counterfeited (SB nos. 623-628).



1 BUTE (SB 623)

After September 1947, a third variety was put into use until the Barter Center's closure in May 1948 (SB nos. 629-634). This variety reflected more sophisticated production values. The paper was watermarked, and the denomination appeared on the back as well as the front (with color varying as to denomination, as with the first two varieties).



25 BUTEs (SB 632)

A final variety, listed by Schwan and Boling, was to be used in the event of further counterfeiting (SB nos. 635-639). This variety remained unissued, and lacked a 50-BUTE denomination.

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Series of 1934B \$10 Silver Certificates

By Jamie Yakes

The BEP made only one Series of 1934B \$10 Silver Certificate face plate: serial 211, certified on March 1, 1946. It stands as the only \$10 Silver Certificate plate produced from June 1943 to October 1946.

BEP printed just over 28,000 sheets from it, among the lowest quantity for any small-size type. These sheets remained in the serial numbering queue for more than two years, and observed 1934B low and high serials differ by almost 6,000,000.

Three factors appear to have influenced its manufacture: (a) a historical low demand for \$10 Silver Certificates; (b) a greater reliance on \$10 Federal Reserve Notes during World War II; and (c) an abundance of outstanding \$10 notes later in the war.

Smaller Denominations Preferred

The BEP sent the Treasury 113 million \$10 Silver Certificates from 1934 to 1945,¹ just eight percent of the total value of Silver Certificates delivered. This reveals the low demand for this denomination, and illustrates instead how the Treasury monetized purchased silver with smaller \$1s and \$5s after the June 1934 Silver Purchase Act became effective. Following the Act, the printing of \$10s progressed with irregularity, based on plates sent to press: 187 in 1934-37; 360 during 1938-40; none in 1941; 251 from 1942-44, and none in 1945.

The last significant numbering of \$10 blue seals occurred in 1938-41, whereas North African yellow-seals constituted most of the notes serialized from 1942-44. Consequently, the BEP had stocks of blue seals to distribute to the Treasury during and after the war: It delivered 1.2 million notes in 1941, the yellow-seals from 1942-1944 and 1.9 million notes in 1946 before the 1934B plate ever went to press. No deliveries occurred in 1945.²

Federal Reserve Notes Abound

The \$10 denomination predominantly circulated as a Federal Reserve note issued by the Federal Reserve Banks. This became more apparent after 1939, when the BEP increased \$10 Federal Reserve note production after it stopped printing \$5 Federal Reserve Notes and shifted this capacity entirely to \$5 Silver Certificates.

This carried a massive increase in circulating Federal Reserve Notes the Treasury executed throughout the war: from \$4.3 billion in January 1939 to \$22 billion five years later.³ Ten-dollar notes comprised \$5 billion of this increase.⁴ In addition to these, the Federal Reserve Banks released \$626 million in Federal



The only \$10 Silver Certificate Series of 1934B face plate the BEP certified, plate 211 had a single press run in 1946. These sheets permeated the serial number pipeline for more than two years, giving this variety an observed serial number range twenty times wider than the 300,000 or so notes numbered. (Photo courtesy of Peter Huntoon/National Numismatic Collection.)

Reserve Bank Notes in 1942-43,⁵ which included \$100 million in \$10 notes.

Anticipating that these issues would satisfy the short-term need for \$10s, the BEP made fewer Silver Certificate plates after 1942 and certified only 12 in 1943-45; however, in these three years they certified over five hundred 1934A and 1934B Federal Reserve note plates.

One Plate, One Press Run

The BEP started a single plate August 9, 1945, with Fred Vinson's and William Julian's facsimile signatures and finished it eight months later in March 1946 as the lone 1934B plate. John Snyder replaced Vinson on July 25th, commencing the manufacture of Series of 1934C plates thereafter.

On July 9, 1946, the BEP printed \$10 Silver Certificates for the first time in two years. They had more than four dozen usable 1934A plates available, but luckily, plate 211 went to the pressroom along with 1934A faces 207, 208, 209 and 210. On July 17, 1934A face 206 replaced 208, and the press run continued until August 7. It remained the last for \$10 Silver Certificates until the BEP used 1934C plates in July 1947.

Sheets and Regular Notes

Chuck O'Donnell recorded 337,740 notes printed from plate 211,⁶ or 28,145 sheets. We cannot know exactly how many received serials, as some became spoiled, and some became star notes, but only the Series of 1933 and 1933A \$10 notes had smaller print totals.⁷ This variety also has few equals in other classes until you reach the high-denomination Federal Reserve notes.

The first 1934B note received serial B15432001A,⁸ probably in August 1946, and went to the Treasury on September 4.⁹ The high reported note has serial B21521396A,¹⁰ delivered about mid-year 1948.

The BEP serialled 1934, 1934A and 1934C sheets concurrently with 1934Bs. Based on the plate serials of observed notes,¹¹ the 1934s consisted of straggler sheets printed before 1942 and numbered in 1946-47, and the 1934As included those printed in 1946 alongside 1934Bs, as well as unnumbered sheets printed prior to 1944.

Series of 1934C sheets first became available in July 1947, when after three years the BEP resumed printing \$10 Silver Certificates in large numbers.

Changeover Pairs

Changeover pairs resulted from the simultaneous printing of 1934A and 1934B sheets in 1946. These repeated the same pattern every fifth sheet depending on the plate arrangement. Two pairs exist:¹² 1934B-B18432102A/1934A-B18432103A (plates unknown), and 1934A-B18525576A-L209/1934B-B18525577A-G211.



Star Notes

Observed 1934B star notes¹³ have serials from ★01332001A to ★01524000A -- 192,000 notes numbered as four separate print runs¹⁴ that also included 1934, 1934A and 1934C stars:

Run	Serials	Notes	Types observed
1	★01332001A - ★01356000A	24,000	1934A, '34B
2	★01356001A - ★01404000A	48,000	1934, '34A, '34B
3	★01404001A - ★01452000A	48,000	1934A, '34C
4	★01452001A - ★01524000A	72,000	1934A, '34B

By applying the 1.3 percent ratio of 1934-1934D stars to regular notes¹⁵ to the reported range, I estimate the total number of 1934B stars printed at fewer than 2000 notes. Observations¹⁶ of stars from these ranges justify the low estimate: Many 1934A stars have faces used prior to 1944 inclusive, and none of the recorded 1934B stars have serials from run 3.¹⁷

Market Demand

Despite the low printage, examples remain plentiful; nonetheless, collectors have made the notes popular. Prices exceed \$4,000 for new examples, and even high-end circulated notes will cost half as much. Star notes can bring many times this level—the CU Taylor example sold by Heritage Auction Galleries in February 2005 hammered at \$25,300!¹⁸ Collectors with lesser expectations can purchase the more common notes below extra fine for a few hundred dollars.

Acknowledgments

Jim Hodgson and Peter Huntoon proofread the manuscript and made suggestions for improvement. Scott Lindquist provided insight about the market value of Series of 1934B \$10 Silver Certificates. The Professional Currency Dealers Association supported this research.

Notes

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4. U.S. Federal Reserve System, Board of Governors, p. 1464.
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This Taylor Family 1934B Star note fetched \$23,500 in a February 2005 Heritage Currency Auctions sale. (Photo courtesy Heritage Auctions)

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☆☆☆☆ About Nationals Mostly ☆☆☆☆ By Frank Clark

Edward Lyon Buchwalter - Soldier, Entrepreneur, Banker

Edward Lyon Buchwalter was born June 1, 1841, and reared on the family farmstead in Hallsville, Ross County, Ohio. He was the eldest of three brothers. He was enrolled at Ohio University in Athens when the Civil War started. He left the university at the age of 21 and voluntarily enlisted in the Union Army on August 15, 1862. His unit was Company A of the 114th Ohio Infantry where he rose to the rank of sergeant.

Buchwalter's first engagement with the enemy was at the Battle of Chickasaw Bayou on December 26 - 29, 1862. This was on the northern approaches to Vicksburg. The Confederates won this battle and Buchwalter was one of 1005 men wounded. His wounds were minor and he would go on to fight in the Battle of Fort Hindman in Arkansas on January 9 - 11, 1863. He actively participated in several more battles that led up to the siege and capture of Vicksburg on July 4, 1863.



Buchwalter's ability led him to being commissioned first lieutenant in the 53rd United States Mississippi Colored Infantry on July 25, 1863. This unit was ordered to Miliken's Bend in Louisiana. They were bivouaced there until January 1864 and then recalled to Vicksburg. They were stationed in Vicksburg again until October 1864. He was promoted to captain during his stint there. His next campaign involved leading troops up the White River to St. Charles, Arkansas. The final months of the war saw him return to Vicksburg and then on to the state capital of Jackson.

With the war over, his military duties continued, first as Provost Marshall of Macon, Mississippi and later in the same position in Meridian, Mississippi. He was also in charge of the Freedman's Bureau in Meridian. March 8, 1866, saw him mustered out and receiving an honorable discharge. Later, he would join the fraternal order of the Grand Army of the Republic. He would also become the Commander of the Ohio Commandery of the Military Order of the Loyal Legion of the United States. He also exhibited kind feelings towards former Confederate soldiers during the rest of his life.

Buchwalter returned to the family farm in Hallsville for a few years. He moved to Springfield with his wife and family in 1872. He was one of the organizers of The Superior Drill Company and president from 1883 to 1903, when it was merged into the American Seeding Machine Company. He continued as president of the latter business concern until 1911.

During this time, he helped organize the Citizens National Bank of Springfield, Ohio in December 1898, charter #5160. This bank succeeded the Second National Bank of Springfield, charter #263. He was the first president and served until the bank consolidated with the Lagonda National Bank of Springfield on July 27, 1927. The new bank became the Lagonda-Citizens National Bank and operated under the Lagonda's charter #2098.

The Citizens National Bank issued Series 1882 Brown Backs, Date Backs, and Value Backs. This Clark County bank finished its career with Series 1902 Plain Backs. Pictured is a \$10 1902 Plain Back with rubber stamped signatures of Cashier F.E. Hosterman and President Edward L. Buchwalter.

After a long and fruitful life, Buchwalter died in 1933 and was buried at the historic Ferncliff Cemetery and Arboretum in Springfield. ❖

The President's Column



Dear Fellow Paper Money Lovers:

As I write this, we are just over halfway through the Society's 50th birthday year, and the principal opportunity to celebrate this event, Memphis, is behind us. Those of you [our members] as may be subscribers to other, more frequently issued news outlets about the hobby may already feel well briefed, but as your current "CEO," I feel obligated to provide some perspective on Memphis 2011, albeit perhaps less timely than others', and certainly less objective.

Memphis 2011, as a pure event for the collector, was just great. Period. From the exhibits to the events, the forums to the food, and the dealers and collectors and institutions, all were magnificently represented. As expected, Lyn Knight, in his second year managing the IPMS, has continued to expand the show's educational and exhibit strengths, while also incorporating his multiple auction session schedule, offering everybody something or plenty and adding a first-ever celebration of multiple birthdays – the Society's 50th, the IBNS's 50th, the IPMS's 35th, and the Memphis Coin Club's 75th.

It is dangerous, as a not-very-objective observer, to opine on the Society's efforts to celebrate our birthday, but I will do so anyway. The Friday morning breakfast attendance, with a final total of 144 tickets sold, was the best-attended event of its kind, by far, in my 20-year experience with it. This is due to hard and organized work by my fellow governors, and great response from our members. The Tom Bain raffle similarly was well supported, the prizes better than ever, and Mike Bean is to be thanked for the gorgeous Robert E. Lee emblazoned 50th anniversary tickets he designed and provided for us. Governor Wolka is also to be singled out for thanks for again emcee'ing and making our 50th anniversary breakfast special. Having held the price of this event constant for the last several years, inflation and food cost pressures have reached a point where we will be forced to adjust the price of the breakfast upward next year. We will continue to do our best to keep it a bargain.

As noted above, we also celebrated our 50th alongside several other organizations. Beginning as far back as the Boston ANA in August of 2010, Lyn Knight and Doug Davis have been working creatively and cooperatively to help celebrate not only the Society's 50th, but also our "sister" organizations – the IBNS's 50th, the Memphis IPMS's 35th anniversary, and the Memphis Coin Club's 75th year. This year, Lyn "cleared the decks," closing the bourse early on Saturday and delaying the start of his Saturday evening auction session in order to throw a quite delightful party for all comers, highlighted by a great "Jeopardy" contest, delicious food and refreshments and quality souvenir drink tickets. Lyn emcee'd a compact and comprehensive program of kudos and presentations, and I for one cannot thank him, and his entire crew, enough for all the work they did on our behalf at this event and in Memphis generally, on too many fronts to enumerate.

The 2011 Memphis exhibit experience really has to be talked about, from more than couple of perspectives. For starters, in addition to making a significant investment in drapery to make every dealer's table elegant and professional, Lyn's exhibit area has now grown to a double row of tables running the entire length of the convention hall, visually set off by bright blue table skirts. Collectors who have never exhibited before were enticed by the IPMS to exhibit, and, while I am no judge, the overall diversity and

caliber of the work people performed on behalf of the collecting fraternity and viewing public was unquestionably better than ever. For collectors of paper money and those interested in the field, these exhibits are unequalled elsewhere.

As impressive as the exhibits have become, this year's exhibits also included two extraordinary and unforgettable offerings. For starters, the American Numismatic Association, recognizing the multiple anniversaries being celebrated in Memphis, was kind enough to show up in two ways – ANA President Cliff Mishler, Executive Director Larry Shepherd, Rhonda Scurek and Tiffanie Bueschel were visible and enjoyable participants throughout the show, and they brought and exhibited a magnificent group of selections from the ANA's famed Bebee Collection of U.S. paper money. For those who have not yet made it to Colorado Springs, the "mountain" came to Mohammed this year.

However, Memphis 2011 also saw the public debut of a new "Collection for the Ages," an unforgettable assemblage of National Bank Notes. When collectors and paper scholars speak of great collections, many names come to mind. Generally we associate individuals with the formation of great state collections, or a collection of favorite National Bank Note series or types. However, collections which are comprehensive and defined by mouth-watering rarity are by definition extraordinary works, and this is what Andrew Shiva brought to Memphis. Exhibited on a standalone basis, in special-purpose, custom engineered hardware with its own lighting system, the notes themselves were displayed beautifully. Andrew, having done exquisite research, provided, for every note displayed, a "thumbnail" image of each note's central tombstone and critical information about the issuing bank and the issued note. This information was organized and elegantly depicted in table surface cases located below the notes, providing the viewer a distinctive, user friendly and highly organized opportunity to learn about and appreciate this amazing group of early Nationals.

In addition to preparing the exhibit, Andrew had a great idea – and took the initiative of executing against it. He incorporated the "tombstones" of the entire collection into a beautiful color poster commemorating the Memphis Show and the associated SPMC anniversary. He arranged for them to be printed in a limited quantity, and donated a numbered supply to the Society for our members to enjoy. After discussion, we are making them available for a [suggested] \$25 donation to the Society. For anyone interested in a poster, we will publish more information in our next issue.

"Mouth watering rarity" does not seem to do justice to a \$500 First Charter National Bank Note, but it was there for the world to see. There is probably no truly adequate adjective for such an item. An amazing assemblage for collectors to appreciate, and technically an "exhibit," this effort is really in a class by itself, defined by itself. A stand alone museum of sorts, the work and time it represents is quite extraordinary, and kudos and highly appreciative thanks are due Andrew Shiva for preparing and bringing this to fruition.

In next issue's column, I will report on the Board's activity which took place in Memphis. Some of it is the perhaps seemingly routine but quite important work of running "our business." However, much of our weekend was spent on new initiatives which deserve more space than I can properly provide in this month's column, and about which I look forward to telling you.

In closing, I am proud of the fashion in which we have celebrated the Society's 50th anniversary so far, but we are not done, and there will be more to come, I assure you. In the meantime, I am hopeful that this finds you, our members, having passed relaxing and fruitful summers, and looking forward to the remainder of our birthday year.

Sincerely,

Mark



money mart

Paper Money will accept classified advertising on a basis of 15¢ per word (minimum charge of \$3.75). Commercial word ads are now allowed. Word count: Name and address count as five words. All other words and abbreviations, figure combinations and initials count as separate words. No checking copies. 10% discount for four or more insertions of the same copy. Authors are also offered a free three-line classified ad in recognition of their contribution to the Society. These ads are denoted by (A) and are run on a space available basis. **Special: Three line ad for six issues = only \$20.50!**

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PHOTOGRAPHERS' MONEY WANTED. Advertising notes (Handbills that resemble currency). Daguerreotypists of the 1840s to modern times. ngraver@rochester.rr.com or NM Graver, 276 Brooklawn Dr., Rochester, NY 14618 (276)

WANTED: ALBANY GA NATIONAL BANK NOTES. Any charter, size, denomination, or type. Email: gaanderson.1966@yahoo.com (276)

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WRITING A NUMISMATIC BOOK? I can help you with all facets of bringing your manuscript to publication. Proven track record for 40 years. Create a legacy worthy of your efforts. Contact Fred Reed fred@spmc.org (276)

WANTED: Notes from the State Bank of Indiana, Bank of the State of Indiana, and related documents, reports, and other items. Write with description (include photocopy if possible) first. Wendell Wolka, PO Box 1211, Greenwood, IN 46142 (276)

WANTED: 1/0 BINARY SMALL-SIZE NOTES. All possible combinations of 1's and 0's in 8-digit serial numbers. Doug Merenda, 215 W. Troy St. #1009, Ferndale, MI 48220. ddm_50@yahoo.com (278)

WILDCAT BANKS OF WAYNE COUNTY (Ohio), 80 pages, \$30 postpaid. Raymond E. Leisy, 450 N. Bever St., Wooster, Ohio 44691 (A)

WANTED TO BUY: Small Change Notes Dated March 12, 1792, Which Were Issued by "The Union Society" Located in Smithtown, New York. Anthony Bongiovanni, Box 458, Rocky Point, NY 11778 (274)

FREE TO GOOD HOME. 5 CAA auction catalogs, 1997-1999 (duplicates in my collection). For list, etc. karl@rochester.rr.com (A)

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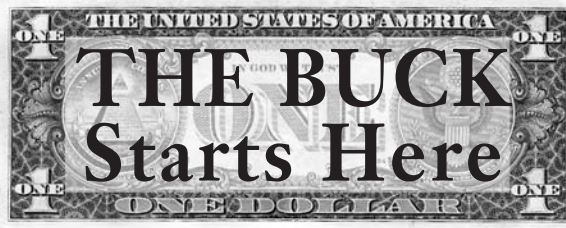
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A Primer for Collectors BY GENE HESSLER

Rockefeller launched bank honoring young Ohio Poet

During Black History month George Washington Carver and Booker T. Washington are mentioned in numismatic publications for their portraits on commemorative half-dollars (1946-1951). I consider each worthy subjects for portraits on paper money. Paul Lawrence Dunbar is another name that you may hear. Dunbar was not recognized on coins or paper money, however a national bank bears his name.

Paul Lawrence Dunbar was born in 1872 in Dayton, Ohio, about 50 miles north of where I was born, just north of Cincinnati. He was a student at Dayton's Central High School, where Orville Wright was a classmate; Dunbar was the only black student in his class, but knew where he was headed.

Spoken or written, words were his friends. He had his first poem published when he was 16 and eventually wrote over 200 poems. Dunbar edited his high school paper and was the president of the debating society. For his graduating class of 1891 he composed a school song, and a few years later he composed a school song for the Tuskegee Institute.

Very few poets or classical composers are able to make a living by their calling. New England composer Charles Ives made his living by selling insurance, and countless composers, poets and writers worked at something else to put bread on the table.

At 21, an educated Paul Lawrence Dunbar worked as an elevator operator in the Callahan Building in Dayton; at this time he had his first book of poetry published.

He undoubtedly saw the same people day after day in his elevator, and they were among the first to purchase a copy of his *Oak and Ivy* for \$1.

Like Mozart and Schubert, Dunbar died while in his 30s, much too young, especially for a creative person. Dunbar died in 1906 and in 1926 the Paul Lawrence Dunbar Apartment complex in Harlem was ready for tenants. Two years later the Dunbar National Bank was assigned charter #13237. By the end of the year the bank had a capital of \$500,000 and a dozen employees. There had been a need for a bank in Harlem and the financial institution that had Dunbar's name was estab-

lished with assistance and blessing of John D. Rockefeller, who served as a board member for the bank.

In 1929 the Dunbar Press, a publication for the residents of the Dunbar Apartments, carried the following: "Mr. Rockefeller has now set aside a number of shares with which he wishes us to make as wide a distribution as a maximum of ten shares to each individual will permit. It has been arranged, therefore, that you may have anywhere from one to ten shares [at \$52 per share]."

The Dunbar National Bank, known as "one of the safest banks, issued Third Charter notes only in denominations of \$5, \$10 and \$20. The \$10 note has the engraved portrait of William McKinley, another Ohio "buckeye." In March 1901 McKinley had invited the young poet from Ohio to ride in the president's inaugural parade.

The Dunbar bank also issued small-size national bank notes in denominations of \$5, \$10 and \$20 in both Types I and II. In *National Bank Notes*, by Don Kelly, another "buckeye," we find that \$1,302,360 in notes was issued and \$304,900 was outstanding in 1935, \$1,780 of which consisted of large-size notes. So, these notes are available if you are willing to hunt for them among paper money dealers.

In addition to the national bank that was named after him, a high school in Lexington, Kentucky, a branch of the Dallas Public Library and a medical facility in Ft. Myers, Florida also bear his name.

(Reprinted with permission
from Coin World, February 23, 2004)



Fellow "Buckeye" William McKinley appears on this Third Charter \$10 on the Dunbar National Bank of New York.

Note: I should have reviewed my column on Darley published in the recent issue more closely because it needed updating in several places. Mark Tomasko wrote an article in the June 2007 Bank Note Reporter about the *Battle of Lexington* and *Landing of the Pilgrims* vignettes, as well as other vignettes attributed as Darley's work. The *Battle of Lexington* (which, as we all know, is on the face, not back, of the \$20 national bank note), was engraved by Joseph Ives Pease from a drawing by Theodore August Liebler, according to Tomasko.

In addition, if you go to the mentioned website, you are quickly shunted off to another web site, Focdarley.org, only to be told that it "expired 6/18/2011 and is pending renewal or deletion." And I recall that in recent years, unless they made corrections, there was misleading information about Darley vignettes on notes, so I would not recommend that web site anyway. ♦

Small Notes

by Jamie Yakes
\$2 micro and macro backs

Two-dollar back plates 287 to 290 were critical \$2 plates during the change from micro to macro plate serials that began in 1938. The BEP certified 287 and 288, the last \$2 micro back plates, in March 1937. Eleven months later, in February 1938, it certified 289 and 290, which were the first macro backs.

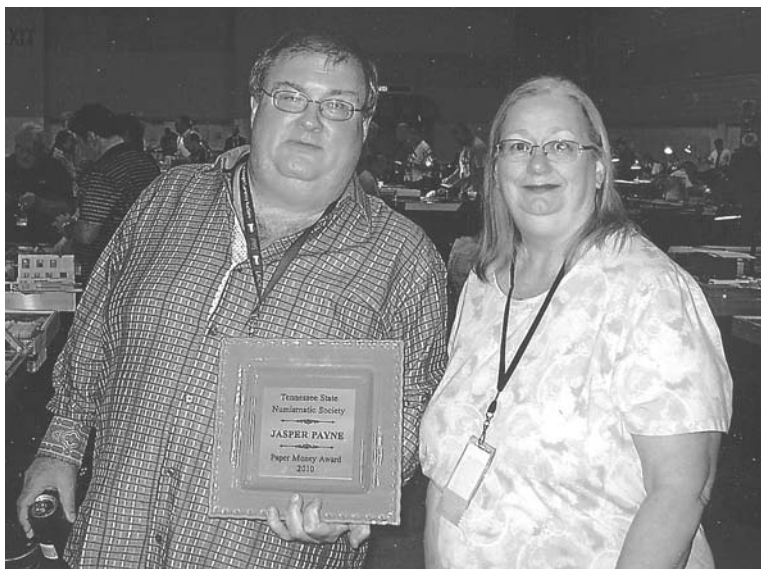
A closer look at the data (see photo) shows the economies typically employed by the BEP. The first use of both macro plates was on August 22, 1938; however, the micros remained unused until January 22, 1940. This was almost two years after production of the first macro plates, and three years after they were certified! Producing plates required highly-skilled engravers, costly materials and precious time, and the BEP

wasted nothing. They used any still-serviceable plate, especially during wartime!

Plate handlers and press operators cared little about the change in plate serials. So long as they had plates to certify, and got usable plates when they ordered them, they were content. They often logged nothing more than a short comment about the change, such as the "Large Serial Numbers" written under the plate number "136009" on this ledger page.

Source: Bureau of Engraving and Printing, Treasury Department, Records of the Bureau of Engraving and Printing, Plate history ledgers: National Archives, College Park, MD, Record Group 318.

Denomination \$2 U.S. BACK								
DATE BEGUN	DATE FINISHED	NUMBER OF PLATE	SUB-LOTS	SERIAL No.	FOR REENTRY	RE-CERTIFIED	DATE CANCELED	SENT TO PRESS
		IRON						JAN 22 1940 AUG 5 1940 NOV 22 1940
FEB 26 1937	MAR 11 1937	136008	12	287			DEC 9 - 1940	
		IRON						JAN 22 1940 AUG 22 1940
FEB 26 1937	MAR 17 1937	136009	"	288			SEP 20 1940	
		IRON						AUG 22 1938 JAN 22 1940 AUG 22 1940 NOV 22 1940 JUL 23 1940
JAN 26 1938	FEB 7 - 1938	138146	"	289		JUL 13 1942	SEP 14 1942	
		IRON						AUG 22 1938 JAN 22 1940 AUG 22 1940
JAN 26 1938	FEB 4 - 1938	138147	"	290				JUL 23 1940 AUG 22 1938



TSNS honors Knight

Tennessee State Numismatic Society First Vice President Gail Pike presents the society's Jasper Payne Paper Money Award to Memphis International Paper Money Show proprietor Lyn Knight (far left). Knight was honored "for taking over the Memphis paper money show, keeping it in Tennessee and making it bigger and better for collectors to enjoy," according to Pike.

Tennessee dealer Payne endowed the award to honor an individual promoting paper money in Tennessee. Previous winners have included Memphis Coin Club members Mike Crabb, who chaired the Memphis show for more than three decades, and Bob Raby.

Knight said he was "very appreciative" of the honor, which was presented to him during dealer set up at the recent Memphis show. ♦

Six speak at 8th annual SPMC Authors Forum

Six accomplished authors presented summaries of their diverse recent book publications in Memphis June 10th at the 8th Annual SPMC Authors Forum.

Speakers were welcomed by SPMC President Mark Anderson. Wendell Wolka was emcee for the event once again. The affair was organized by *Paper Money* Editor Fred Reed.

About two dozen SPMC members and guests attended the event. Art Friedberg donated a case of the new current 19th edition of *Paper Money of the United States* as door prizes for the event.



Pierre Fricke

Pierre Fricke has been a collector since 1969, first specializing in early large cents by variety, and then Bust halves. In 2001 he began collecting Confederate paper. Fricke maintains a website devoted to Confederate paper, and deals in the series. He currently serves on the SPMC Board of Governors. Pierre wrote the acclaimed *Collecting Confederate Paper Money – Comprehensive Edition* (2005) and *Collecting Confederate Paper Money – Field Edition* (2008). Both books won awards. Last year with co-authors George Tremmel and Marty Davis, the trio penned *Confederate Treasury Certificates: A Collector's Guide to IDRs* which debuted here at Memphis. Fricke spoke on his new project *History of Collecting Confederate Paper Money, 1865-1945* with co-author Fred Reed. The duo will subsequently bring out a book covering 1945-Present.



Howard Daniel

Noted Southeast Asia specialist and author Howard Daniel spoke on his new full color book *Socialist Republic of Viet Nam Coins & Currency*. Daniel is author of a series of books on Vietnamese and other southeast Asian numismatics, which he has been collecting and studying since 1964. The U.S. Army

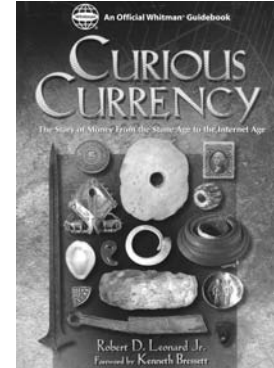


veteran splits his time between homes in Virginia and Viet Nam. His new work describes all the legal tender notes and coins of Viet Nam since 1978, comprising about 500 pieces. It took censors in Hanoi months to clear the new book for publication and sale in Viet Nam. The book is Vol. II, Part 4 of his series "The Catalog and Guidebook of Southeast Asian Coins and Currency." In addition to currency and coins, the work details other financial instruments and bullion.



Bob Leonard

Bob Leonard, a collector/researcher of odd and curious money for a half century, is a Fellow of the American Numismatic Society and the Royal Numismatic Society. He has been a member of the ANA since 1961, and the International Primitive Money Society since 1989. Bob authored two dozen studies of specific unusual monies, plus a survey of the field for *Coin World*. His work has been honored by ANA with three Heath Literary Awards, and four awards from the Numismatic Literary Guild. Bob is past president of the Token and Medal Society and General Chairman of the 2011 Chicago World's Fair of Money®. *Curious Currency* offers a definition of money that does not depend exclusively upon "legal tender," but looks at actual use. It explores development of money from the Stone Age to the Internet Age.



Bill Brandimore

Bill Brandimore is a retired police chief from Wausau, WI. He served 26 years in Detroit, MI before joining the Wausau Department in 1988. After retirement from police service in 2005, Bill began a second career as a numismatic journalist. He currently prepares the currency price list for each monthly issue of *Bank Note Reporter* and a column regarding current prices. He also writes a feature column for *BNR* targeting new and intermediate currency collectors. In conjunction with George Cuhaj he helps prepare the annual



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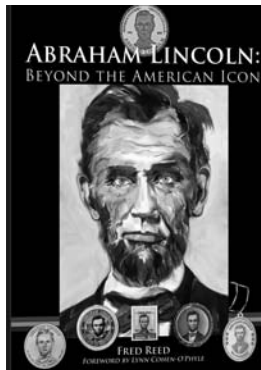
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Standard Catalog of United States Paper Money, long a collector favorite for its convenience and coverage. Bill says that he enjoys collecting Fractional Currency, colonial currency, Large and Small size type, some Nationals and \$5 Minneapolis district FRNs.



Carlton "Fred" Schwan

Fred Schwan has been an avid collector since 1959. He is best known as a collector of military payment certificates. Of course he is a researcher and author on the subject having written hundreds of articles and four editions of the standard reference in this field. His interests extend beyond MPC to the broader area of military and emergency money where his main interest is the issues of World War II. Again he has written in collaboration with Joe Boling the standard reference book. It is under the World War II umbrella that Schwan has been studying and collecting war bonds. That resulted in the recent release of *World War II United States Savings Bonds and Stamps* by Schwan with Larry Smulczewski, Jim Downey, and Mark Watson. The heavily illustrated book debuted at the Spring 2011 MPC Fest detailing Series E, F, and G bonds that were issued as defense bonds and war bonds.



Fred Reed

Fred Reed has collected all things Lincoln since 1955, and become the custodian of a recognized world-class private collection of Lincolnia. He has shared his joy with these items in scores of articles in numismatic and Lincoln-related periodicals, and now in his second book on "Old Abe." This new book is a sequel to Fred's *Abraham Lincoln, the Image of His Greatness* that won "Book of the Year" awards from PCDA, NLG and SPMC. *Abraham Lincoln: Beyond the American Icon* provides its author the opportunity to more fully develop the themes he introduced in his first book. Beautifully illustrated in full color by nearly 1,000 entirely new illustrations from his and other private & public collections, the text also is entirely new. Fred is as Editor/Publisher of *Paper Money* and *TAMS Journal* and columnist for several numismatic publications. ♦



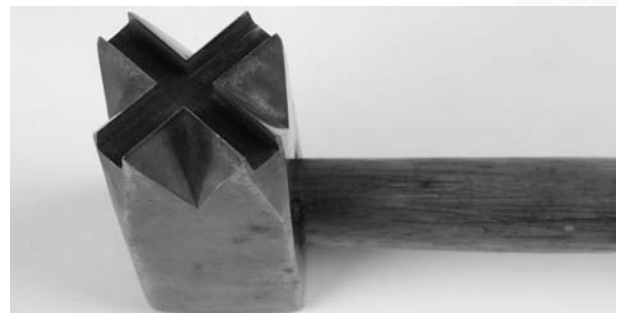
Hollow cross looks like note-canceling hammer

At the recent July 2011 Stack's-Bowers Coin Galleries auction, a number of tokens and storecards from the collection of SPMC member Q. David Bowers hit the block, including the example of Rulau MD-500, shown above.

The cataloger described the lot thusly: "German silver. Plain edge. Central urn and soda glasses, 13 stars around with ornaments at bottom. Rv. Wreath, JAMES AULICK around, ONE / SODA within on two lines. Both sides counterstamped with small, hollow cross outline. Deep silver gray with some slate highlights. Light indistinct scratches on both sides."

As an example of how numismatic knowledge crosses the artificial boundaries we construct around our various genre of artifacts, insights from our recent July-August issue of the *Paper Money* appears to shed light on the so-described "small, hollow cross outline" perplexing the cataloger of the circa 1850s James Aulick soda check.

If you recall, in our SPMC journal, dealer-author Col. Crutch Williams described a bank hammer used to cancel ante-bellum banknotes when they were redeemed. Hammers were of various designs. We'll illustrate the note-cancelling implement here once again to show what caught out attention when we were perusing the Stack's-Bowers catalog.

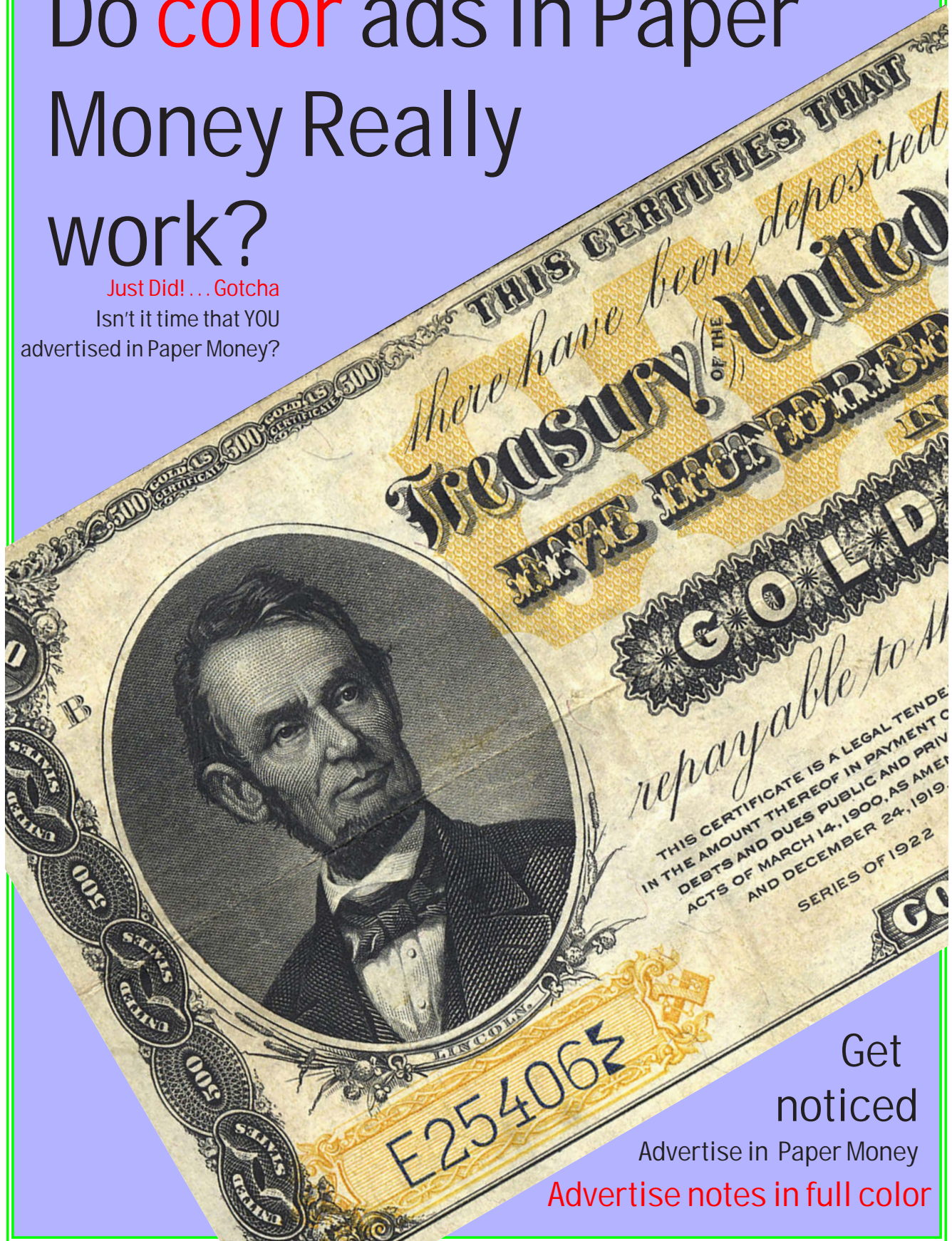


What do you think caused the cross-shaped impressions in the storecard? I know what I think. --Fred Reed ♦

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SPMC celebrates 50th Anniversary at Memphis 2011

Photos by John Wilson



Above: *Bank Note Reporter* Editor Bob Van Ryzin presents Bob Moon the "Most Inspirational" Exhibit Award.



Above: ANA President Clifford Mishler (right) presents an ANA President's Award to SPMC prexy Mark Anderson. Right: Pierre Fricke presented the program at the Society's annual meeting.

Below: SPMC President Mark Anderson and emcee Wendell Wolka led a spritely Annual Breakfast and Tom Bain Raffle.



An Invitation from

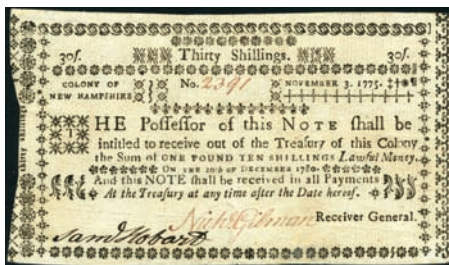
The NEW HAMPSHIRE CURRENCY STUDY Project

Q. DAVID BOWERS and DAVID M. SUNDMAN are involved in a long-term project to describe the history of all currency issued in the State of New Hampshire, as well as to compile a detailed registry of all known notes (whether for sale or not). Our area of interest ranges from issues of The Province of New Hampshire, The Colony of New Hampshire, the State of New Hampshire (1709-1780), issues of the New Hampshire state-chartered banks (1792-1866), and National Bank Notes issued by New Hampshire banks (1863-1935). This will result in a book under the imprimatur of the Society of Paper Money Collectors, with help from the New Hampshire Historical Society, the Smithsonian Institution, and others.

Apart from the above, David M. Sundman is President of Littleton Coin Company, and Q. David Bowers is Co-Chairman of Stack's Rare Coins. For other commercial transactions and business, contact them at their firms directly.



The authors of the present book, holding a rare Series of 1902 \$10 National Bank Note from West Derry, New Hampshire.



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New Hampshire Colonial Note: Thirty Shillings, November 3, 1775

\$1 Ashuelot Bank of Keene, NH, 1862



Series of 1902 \$5 Plain Back from the Indian Head National Bank of Nashua

If you have New Hampshire currency, old records, photographic images or correspondence relating to the same, or other items of historical interest, please contact us at the address below, or send us an e-mail at info@nhcurrency.com. Both of us are avid collectors and welcome offers of items for sale. We will pay strong prices for items we need.

Visit the NH Currency Study Project website: www.nhcurrency.com. Find a listing of New Hampshire banks that issued currency, read sample chapters, and more.

We look forward to hearing from you!



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More SPMC 50th Anniversary Photos at Memphis

Photos by John Wilson



Above: SPMC Charter Member John Rowe and IBNS Charter Member Neil Shafer, along with SPMC Charter Member Cliff Mishler were honored at a Saturday afternoon party thrown by show proprietor Lyn Knight. Above Right: SPMC authors Fred Reed and Peter Huntton.

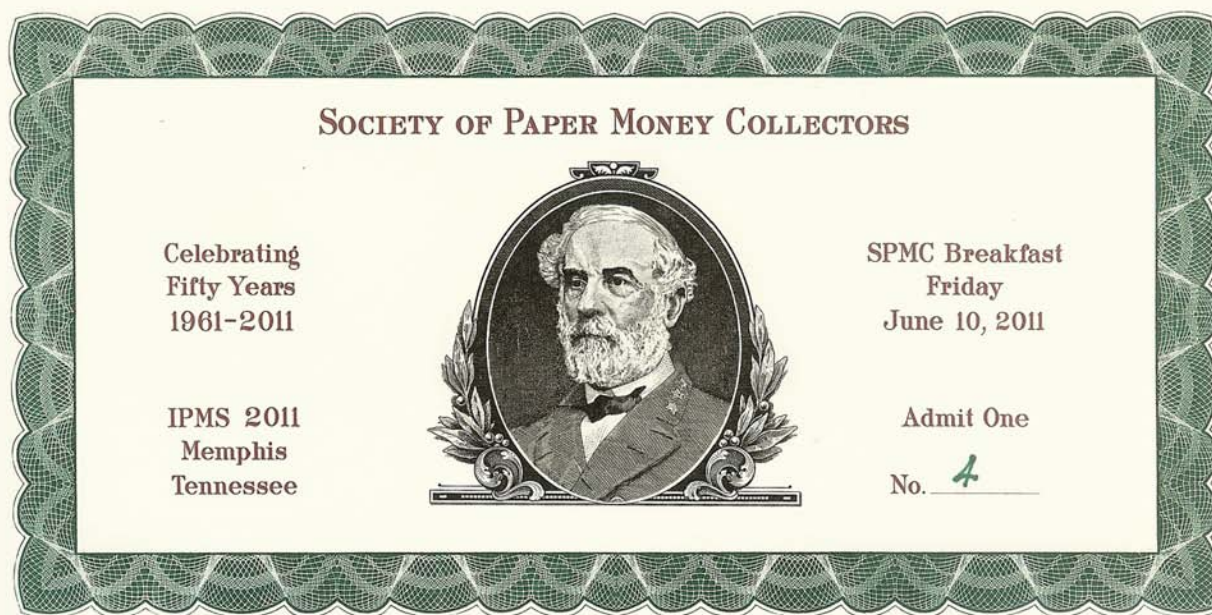


Plate printer Mike Bean created this commemorative Breakfast ticket for the Society's 50th Anniversary celebration at Memphis 2011.



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Even More SPMC 50th Anniversary Memphis Photos

Photos by John Wilson



Above: ANA President Clifford Misher (center) awards show promoter Lyn Knight (left) and the Memphis Coin Club's Mike Crabb, show chairman for 33 years, ANA Awards. Below Left: SPMC President Mark Anderson bestows the Society's highest honor the Nathan Gold Lifetime Achievement Award on Allan Mincho. Below Right: Jason Bradford nabs the Nathan Goldstein recruiting award once again.



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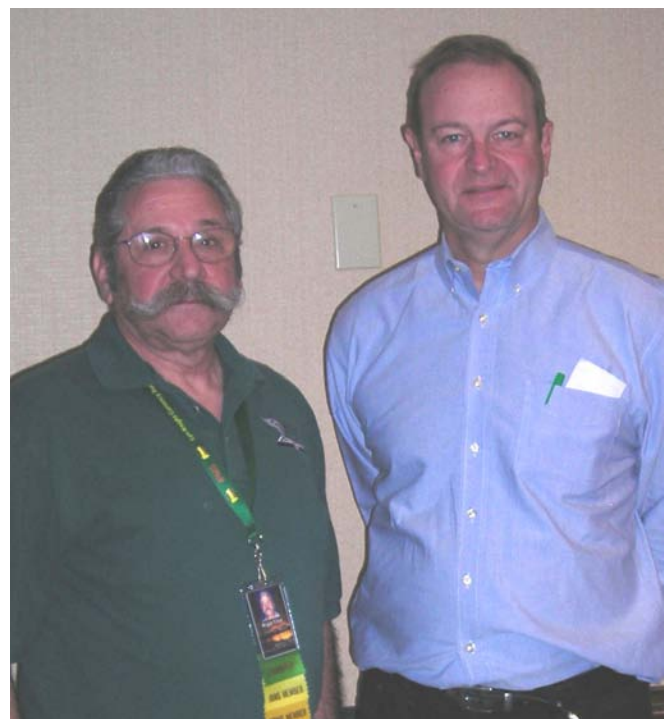


Wait, There's More SPMC 50th Anniversary Photos

Photos by John Wilson

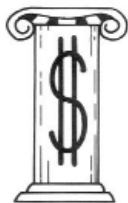


Above: Past and present SPMC Presidents sang "Happy Birthday" to the Society at the SPMC Breakfast, (from left) Ron Horstman, Mark Anderson, Wendell Wolka, Frank Clark, and Roger Durand. Below Left: Show proprietor Lyn Knight threw a soiree to honor the 50th Anniversaries of SPMC and IBNS, the 75th anniversary of the Memphis Coin Club, and the 35th anniversary of the Memphis show. Below Right:: IBNS Membership Secretary Roger Urce and SPMC President Mark Anderson represented their groups at Knight's party.





The National Currency Bank of New York



THE PAPER COLUMN

by Peter Huntoon

ONE OF THE MOST SOUGHT AFTER BANK NAMES ON A National Bank Note is The National Currency Bank. That particular name was used only by one bank, Charter #444 of New York City, and it only appeared on Original Series notes.

The first person to bring this bank to my attention was John Hickman decades ago. He was always hoping to handle one, claiming it to be the ultimate title on a National Bank Note.

Hickman wasn't the first to notice it for surely Albert Grinnell and every other serious collector of New York City banks had to have placed it at the top of their want lists, too. Certainly this was the case for Allen Mincho when he was chasing New York City notes many years ago before he left the law to become a full time currency dealer.

No notes have been reported from the bank.

I've been looking for decades for a proof from any plate used to print the notes for the bank. They don't exist in the holdings of the Bureau of Engraving and Printing certified proofs in the National Numismatic Collection at the Smithsonian. The Original Series plates used to print all the notes for the bank were made by the Continental and American Bank Note companies, not the BEP.

After chasing this phantom for years, I was more than willing to settle for a proof of one of the title blocks just to see what they looked like. I've looked in

vain in every title block specimen book I have ever run across, but admittedly, that number is small.

Discovery

I finally got lucky. Tom Conklin and I were visiting the Bureau of Engraving Historical Resource Center in December 2008, where his work was focused on U. S. Department of Agriculture food coupons and I was trying to run down anything I could find on the manufacture of Series of 1929 National Bank Note overprinting plates.

The woman assisting us provided an index that included some very early specimen books. A couple of them looked intriguing, and although being far from what I was looking for, I thought I had better have a look. One of the books turned out to be what looked like an early American Bank Note Company title block specimen book, probably turned over to the BEP by the company at the same time the national bank note dies and rolls were transferred to the BEP in 1875.

I hastily glanced through it and spotted a title block for The National Currency Bank. This totally unexpected find wasn't the usual \$5 Original title block that you occasionally see, but one used on the higher denomination plates. I couldn't believe my eyes! There was the first note-related object that I had ever seen from the bank other than entries in the National Currency and Bond Ledgers or other old records in the National Archives.

The \$50 Original Series specimen shown here is a mockup composed from that wonderful title block.

The National Currency Bank

The bank, organized in 1864, was a modest New York City firm located at 2 Wall Street on the corner of Broadway. It had resources that hovered about half a million dollars, and a circulation that held constant at \$90,000 until the bank was liquidated in 1876.

The bank was intimately allied with The First National Bank of the City of New York through interlocking ownership, with John Thompson and his sons Samuel and Frederick, being the principals.

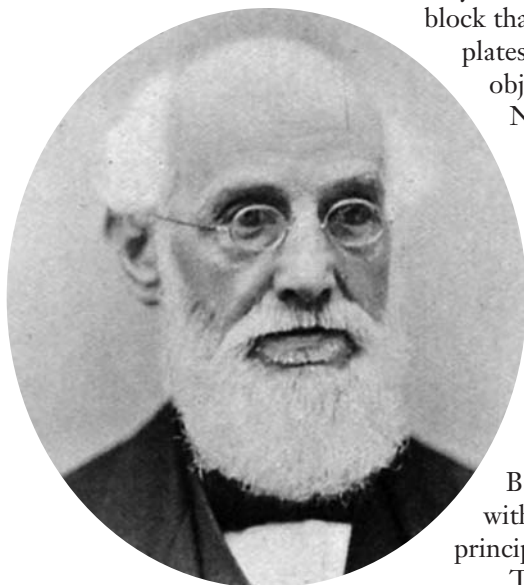
The primary objective for organizing the bank appears to have been to serve as an agency for the redemption of National Bank Notes. Consequently, the title of the bank reflected its business model.

The organizers were in the business of financing the organization of National Banks across the country in order to exploit the money that could be made from issuing National Bank Notes. This business was carried out primarily through The First National Bank of the City of New York.

The advertised businesses of the National Currency Bank included dealings in U. S. bonds, treasury notes, compounds, 3-percent certificates, specie, stamps, mutilated and broken currency, and exchange, besides the usual deposits and loans. It appears that the greatest source of revenue consisted of commissions earned from the spread in bonds and exchange, and the selling of U. S. revenue stamps which were handled for a modest premium. The tax stamps were those issued to raise money to pay down Civil War debt that were affixed to documents, including checks, deeds, etc.

The identity of The National Currency Bank was integrally tied to *Thompson's Bank Note and Commercial Reporter*, which among other things, listed counterfeits, quotes for specie, quotes for all sorts of domestic and international exchange, and quotes for bonds, etc. John Thompson began publishing the reporter in 1842, and it quickly achieved national status as the premier source for information on pre-Federal currency and counterfeits (Dillistin, 1949).

Various people were listed as publisher of the reporter over the years,



John Thompson was the founder of The First National Bank of the City of New York and The National Currency Bank of New York. He then went on to organize The Chase National Bank of the City of New York. His bank note reporter was the leading reporter of its era. Photo from Hardenbrook (1897).

some having an ownership interest in The National Currency Bank once it was organized. The quotes in the publication were those of the bank. The reporter sold for a dime in 1870, and ran to about 30 pages per issue. It seems to have been issued monthly at that time.

The National Currency Bank was liquidated in 1876, before any of the Original Series plates made for it were converted into Series of 1875 plates. Consequently it was only an Original Series issuer. The notes issued were from 5-5-5-5 and 10-10-20-50 sheets, it being one of only 17 banks in the country to use the latter.

One thousand of the high denomination sheets were sent to the bank between February 28, 1865, and January 20, 1866; 3,320 of the \$5s were sent between June 7, 1867, and March 24, 1875.

Only \$750 remained outstanding in 1910, from that \$156,400, according to the annual report of the Comptroller of the Currency for 1910. That was the last year the outstanding totals for the early liquidated banks were published.

Dillistin (1949, p. 92-93) researched the linkage between the organizers of The National Currency Bank and The First National Bank of the City of New York, and their later involvement in The Chase National Bank, which they chartered in 1877. The following is lifted directly from his work.

Shortly after the passage of The National Currency Act in 1863, The First National Bank of the City of New York (Charter No. 29) came into existence. While the name of John Thompson does not appear as one of the organizers, his two sons were original subscribers for a very substantial amount of the stock, and Samuel was its president for several years. Platt Adams, the publisher of Thompson's reporter for several years, and Charles Blondell, the publisher in 1867-1868, were also among the original subscribers to stock.

The National Currency Bank of New York was established in May, 1864, mainly as an agency for the redemption of National Bank Notes. While the name of John Thompson does not appear as one of the organizers, his two sons and his son in law, Francis G. Adams, were original subscribers for 97 per cent of the stock and Frederick F. Thompson was its president for several years.

In 1876, the Thompsons, having previously disposed of their interests in The First National Bank of the City of New York, decided to liquidate The National Currency Bank of New York, it not having been a profitable organization. In reporting this fact, a contemporary writer among other comments made the terse statement, "*Sic transit gloria* -- Thompson No. 2." This bit of sarcasm on the part of that writer was no doubt an inference that the "glory" of the Thompsons in the banking business was about to pass away forever, they having disposed of their interests in The First National Bank and being about to place The National Currency Bank in liquidation.

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F. GRANGER ADAMS, Vice-President.
 (Formerly F. G. ADAMS, Banker, Chicago, Ill.)

J. H. L. MORFORD, Cashier.

PROMPT IN BUSINESS AND SAFE IN MANAGEMENT.

Display ad for The National Currency Bank of New York from *Homans' Merchants and Bankers Almanac* (1871).

This however, was not the case; the glory of the Thompsons did not pass. In September, 1877, John Thompson then seventy five years old, his son Samuel, his son in law Francis G. Adams, Lewis E. Ranson, a drug importer in New York City, and Isaac W. White, a dry goods merchant of Poughkeepsie, became the sole original shareholders and the first board of directors of The Chase National Bank of the City of New York. Samuel C. Thompson was that bank's first president and served in that capacity until his death in 1884, at which time his father, then about eighty one years old, succeeded him. John Thompson served as president about two years and returned to the vice presidency when Henry W. Cannon became president.

[Cannon had served as Comptroller of the Currency from May 12, 1884 to February 2, 1886; next as vice president of the National Bank of the Republic of New York; after which he and a group of financiers purchased control of The Chase National Bank] (Kane, 1922).

John Thompson died on April 19, 1891, at the age of eighty eight, after a varied and interesting career, his life having spanned a most important period in American history. He was an outstanding personality in his field and without doubt the most conservative and most prominent of all the publishers of bank note reporters. Hoyt Sherman, a contemporary of John Thompson and * * * a prominent banker in Iowa, cited Thompson's reporter as "the standard authority."

While John Thompson was at times subjected to a certain

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First	" Medina, N. Y
First	Bethel, Conn.
First	N. Orleans, La
First	Selma, Ala.
First	Carondelet, Mo
First	Columbia, Mo
First	Keokuk, Iowa.
First	Rockford, Ill.
Venango	Franklin, Pa.
Tennessee	Memphis, Tenn.
Merchants'	Washington, D. C.
Croton	New York.
Farmers'	Waukesha, Wis
Farm. & Citizens'	Brooklyn, N Y.
National Unadilla Bank,	Unadilla, N.Y
Nat. Bank of Vicksburg,	Miss.
First Nat. Bk of Nevada,	Austin, Nev.

Item from page 1 of the June 1, 1870, *Thompson's Bank Note Reporter* that reveals why notes from some of the earliest failed and liquidated national banks have never turned up or are exceedingly rare. A premium of 1.5% for a \$5 note was 7.5 cents. Finding a couple of them would buy a cashier a modest lunch in those days. Who was paying the premium for these redemptions is unknown because there was no provision for it in the National Banking Act.

amount of criticism, as were practically all such publishers, there were more favorable comments by contemporary writers with respect to him than of any other publisher. He was an American of the highest type, and his full and abundant life was one of outstanding service to the banking fraternity.

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Similarities of counterfeiters in the 19th Century and Today

By Matt Smith

THERE IS A VAST HISTORICAL PERSPECTIVE which carries over into modern day with respect to the behavior of counterfeiters. This was highlighted in the book *A Nation of Counterfeiters* by Stephen Mihm. Mihm is a history professor and has conducted extensive research into the act of passing counterfeit money in the 19th century. Although this is not an official endorsement of the book itself; I will use it as a reference, since it provides a historical perspective for the specified topic at hand.

While reading Mihm's book, I noticed the similarities between counterfeit money passers of the 1800s and that of counterfeiters of today. Mihm's book addressed the actual act of people passing counterfeit notes. He covered the behavior of the passers (referred to as "shovers" in the 1800s) and what allowed them to be

effective when actually passing the counterfeit bills. Mihm explained a lot of individual traits for counterfeit money and its passers. These traits combined often allowed the counterfeit notes to not only be accepted, but to remain in circulation time and time again.

For example, Mihm addresses what money receivers would look for in determining if money was genuine. Such as the bill being worn and tattered, indicating it has been circulated a lot. If the bill has consistently changed hands, it must be genuine right? Conceptually, this holds true today. In fact most cashiers and people accepting money are more suspicious of "crisp" or newer bills than that of "worn" or "aged" bills. Counterfeiters know this and even today will manipulate the money to "age" its appearance before attempting to pass or sell it.

The book addresses how passers would often buy an inexpensive item and utilize a counterfeit higher denomination bill to pay for it. This was done for the passer to essentially receive the item for "free," and also to obtain the correlating change in genuine currency. The example used by Mihm involved a \$1.25 purchase being paid with a counterfeit \$10 bill. This holds true today; as often people who knowingly pass counterfeit money as a payment will purchase an item under ten dollars and uti-

lize a counterfeit \$100 bill.

Mihm discussed the tactics utilized by passers; specifically utilizing the time of day such as dusk or evening hours to pass the counterfeit money, thus avoiding detection. I have investigated several cases where this tactic was used. It usually involves a one-on-one transaction (no witnesses or other parties) commonly done outdoors and in poor lighting.

Other characteristics presented by Mihm were people working in pairs. Again, this holds true today. It is not uncommon for counterfeit money passers to work together, especially in retail stores. As one person

attempts to make the purchase using a counterfeit bill, the other suspect creates a distraction. Doing so diverts the attention of the clerk off the counter-

feit bill and onto something or someone else. Some of the more commonly used tactics may involve a disruptive customer or a customer who "accidentally" breaks a display item creating a mess or safety hazard. This causes the clerk to feel the need to tend to the problem at hand and expedite the cash transaction.

Mihm also addresses the "traveling" aspects of the passers. This again holds true today where the passers will travel across a freeway, exiting on major streets which have strip malls or shopping malls; often, going into other cities and counties while doing so. This combined with the behavior of the passers, makes the investigative efforts by law enforcement more difficult. This is because by the time the money is discovered as counterfeit, the suspects could potentially be in another city, county or state.

In closing, many of the techniques and behaviors of counterfeit money passers in the nineteenth century are identical to the passers of today.

About the Author: Matt Smith is a police detective in Chula Vista, CA who specializes in investigations of fraud, forgery and counterfeiting. He has testified as a court expert in these areas. He is a Certified Fraud Specialist (CFS) and a Certified Fraud Investigator (CFI). His email is msmith@chulavistapd.org ❖



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The Editor's Notebook

Fred L. Reed III



fred@spmc.org

Last call for regular columnist

Last month I threw open the op-ed columnist slot to the membership. I guess the brass ring was too high for most readers to grasp. Response was disheartening . . . not a single inquiry. I recognized that finding a replacement for Mr. Whitfield was a daunting task, but I didn't think it impossible. When Steve stepped up years ago, he was one of about a half dozen who clamored for the job. A good man or woman may be hard to find, but are there no members in good standing who don't want a regular soapbox now?

With all the articles that get submitted to *Paper Money* that you see published in these pages, I know there are oodles of fine paper money writers out there. So, where are the volunteers? The pay may be small (fleeting fame) but the opportunity is great: a guaranteed spot in an award-winning bimonthly journal. Of course the submissions must conform to space and quality standards. You get the drill. You write it. I'll edit it and SPMC will publish it.

So get on the stick!

We're looking for 400 words every sixty days . . . that's less than seven words a day . . . not exactly a heavy burden on one's time or a taxing effort on one's intellect.

I recently got back from Memphis, and was constantly barraged there by members offering suggestions or inquiries. Many of these topics would have been excellent vehicles for an opinion piece on "Back Page." One member recently wrote that he finds nothing to his liking in some issues of this journal. He and others with similar complaints should look in their mirrors. The remedy to their problem is staring them in the face. So quit the bitching and get on with the typing.

We won't let you libel anyone, but we will let you brush a chip or two off your shoulder in an editorial way at any rate. There's two opinion pieces in this very issue. I applaud members with the initiative and gumption to step up and voice considered views. I don't have to agree with an article to see virtue in publishing it.

So if you look in the mirror tonight, and you see an articulate, opinionated, unflappable and disciplined individual . . . the opportunity is STILL here. We're going to print that half page opposite this column every issue one way or another. It would be better if it had interesting content instead of a "Help Wanted" notice. And I wouldn't have to waste my space on a recruiting mission!



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References:

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